

# DELIVERING VALUES

Annual Report 2009



# Cover Rationale

Sunway City Berhad ("SunCity") is a living vision of a wise leader, a persevering dreamer. The display of the Group's 5 divisions symbolises SunCity's success of delivering values to its stakeholders.







# Vision

A premier property company focusing on quality real estate development and investing in properties with attractive yields that augment its township development to generate excellent returns that maximise shareholders' value.

Sunway City Berhad Group of Companies shall achieve the vision through the realisation of the following goals:

- Exceeding customers' needs with superior and innovative products and services.
- Building and developing a culture and environment that promote excellence and dedication in its stakeholders.
- Utilising technology to enhance the Group's competitive advantage in the marketplace.

# Mission

To create a conducive environment for living, working and leisure by transforming the existing landscape and/or landform into well-designed and visually stimulating structures that will greatly enhance its value.

## Announcement Of Quarterly Results

25 November 2008  
Announcement of the unaudited consolidated results for the quarter ended 30 September 2008

24 February 2009  
Announcement of the unaudited consolidated results for the quarter ended 31 December 2008

28 May 2009  
Announcement of the unaudited consolidated results for the quarter ended 31 March 2009

24 August 2009  
Announcement of the unaudited consolidated results for the quarter ended 30 June 2009

30 November 2009  
Announcement of the unaudited consolidated results for the quarter ended 30 September 2009

25 February 2010  
Announcement of the unaudited consolidated results for the quarter ended 31 December 2009

## Interim Dividend

2 October 2009  
Announcement of the notice of entitlement and payment of 8 sen Interim Dividend less 25% income tax for the financial period ended 31 December 2009

22 October 2009  
Date of entitlement to 8 sen Interim Dividend less 25% income tax for the financial period ended 31 December 2009

20 November 2009  
Date of payment of 8 sen Interim Dividend less 25% income tax for the financial period ended 31 December 2009

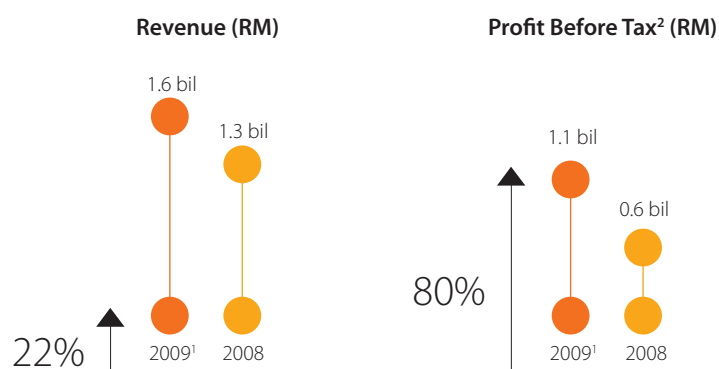
# Financial Calendar

## Annual Report & Annual General Meetings

1 June 2010  
Date of notice of the 26th & 27th Annual General Meetings and date of issuance of the Annual Report 2009

25 June 2010  
Date of the 26th & 27th Annual General Meetings

## Results Highlight



<sup>1</sup> The financial performance for the financial period ended 31 December 2009 covers an 18-month period.

<sup>2</sup> Including assets revaluation surplus.



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Sunway City Berhad Annual Report 2009

The award-winning shopping mall, Sunway Pyramid continues to be the landmark of Sunway Integrated Resort City.



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# Corporate Profile

Sunway City Berhad ("SunCity") is a dynamic and integrated Malaysian property conglomerate and consists of both Property Development and Property Investment divisions. As a result, this has enabled the Group to enjoy the 'Best of Both Worlds' – a high-growth Property Development division and a stable base of income from high-yielding investment properties.

SunCity was incorporated as a private limited company in Malaysia on 13 July 1982 as Sri Jasa Sdn Bhd and subsequently changed its name to Sri Jasa Development Corporation Sdn Bhd on 1 December 1986 and Bandar Sunway Sdn Bhd on 25 July 1987. It was converted to a public limited company on 24 July 1995 and assumed its present name, Sunway City Berhad on 2 April 1996. SunCity's successful listing on the Main Market of Bursa Malaysia (formerly known as Main Board of Kuala Lumpur Stock Exchange) on 8 July 1996 is a testament to its solid business management and aspiration to evolve even further as an integrated real estate conglomerate.

## High-Growth Property Development Division

As a property developer, the Group has vast experience in developing innovative and quality residential and commercial properties. In its quest to create a 'better life' for communities in Malaysia and overseas, SunCity constantly takes steps to deliver products and services of unrivalled quality and value for its customers. This has helped to solidify the Group's status as a leading community master developer.

The Property Development division has delivered over 17,000 properties with a gross development value ("GDV") of RM9 billion. As at 30 April 2010, the Group has an unlaunched landbank of 1,458 acres with a GDV of RM12.7 billion.

The crowning jewel for SunCity is the RM6.9 billion Sunway Integrated Resort City, popularly known as Bandar Sunway. Transformed from 800 acres of wasteland, the pristine, well-landscaped resort township expresses the unique 'Resort Living within the City' concept.

It also reflects the Group's commitment to make livability a top priority as the township is equipped with the finest in retail and commercial; hospitality; leisure and entertainment; healthcare and education facilities.

The internationally-acclaimed Sunway Integrated Resort City will soon be further complemented by the development of SunCity's next iconic attraction, the RM5.2 billion Sunway South Quay project which will be an international lakeside metropolis.

## High-Yielding Property Investment Division

SunCity's Property Investment division holds a truly diversified portfolio of quality retail and commercial, hospitality, leisure and entertainment, and healthcare properties establishing itself as an international-class investment and commercial property player in the region. Currently, it owns and manages a total net lettable areas ("NLA") of 4.86 million square feet of commercial properties which include Sunway Pyramid, Sunway Carnival Shopping Mall, Menara Sunway, Sunway Tower 2, Sunway Giza Specialty Centre, Monash University Sunway Campus and Sunway University College.

## Hospitality Division

The Hospitality division owns and manages a group of hotels and resorts encompassing 3 brand names - Sunway Hotels & Resorts, Allson Hotels & Resorts and The Banjaran Hotsprings Retreat; comprising over 3,400 guestrooms. Its international portfolio of hospitality products and services ranges from a luxury collection and spa retreat, 5-star hotels with world-class convention, meeting and exhibition facilities, luxurious villas, serviced townhouses and suites, 4 and 3-star hotels, to technical services, travel services, franchise management as well as hotel marketing affiliation services.

## Leisure Division

SunCity's Leisure division owns and manages 2 award-winning theme parks, namely the Sunway Lagoon and Lost World of Tambun, Ipoh as well as other businesses like Sunway Healthy Lifestyle,





The glowing domes of Sunway Resort Hotel & Spa.



Sunway International Vacation Club and Sunway Travel. Sunway Lagoon is an iconic multi-park attraction in Malaysia. Lost World of Tambun is a comprehensive theme park that is situated at the edge of limestone hills and enclaves.

#### Healthcare Division

Sunway Medical Centre ("SunMed") adds to the Group's position as a provider of quality healthcare services under the Healthcare division. SunMed is an ISO 9001:2008, MS ISO15189 and Malaysian Society for Quality in Health (MSQH) accredited private hospital. SunMed is one of the foremost private medical care centres in the nation with a total of 335 beds, more than 100 consultation suites, 12 operation theatres and a multi-storey car park with 750 parking bays. It offers a comprehensive range of medical services, which includes facilities and medical technologies for outpatient and inpatient specialty care, health and wellness programme and 24-hour emergency services.

#### Strong Long-term Strategic Partner

Based on SunCity's established track record and expertise in both property development and property investment, the Government of Singapore Investment Corporation Pte Ltd ("GIC") has invested a 21% stake in the Group. Additionally, GIC has a 48% stake in Sunway Pyramid and Sunway Resort Hotel & Spa.

Apart from GIC, SunCity has also attracted various strategic local and foreign partners including Kuwait Finance House, Employees Provident Fund, Australand (Capitaland's subsidiary), Perbadanan Kemajuan Negeri Selangor (Selangor State Government), Kinta Valley Resort (Perak State Government) and other prestigious partners.

#### A Recognised and Well-known Brand

The strength of the Sunway brand has been widely recognised by both local and overseas associations. For 2 consecutive years in 2008 and 2009, SunCity won the Malaysia's Most Valuable Brands by Interbrand and the Association of Accredited Advertising Agencies

Malaysia (4As) and the BrandLaureate Conglomerate Awards by Asia Pacific Brands Foundation. Winning both the awards for 2 consecutive years affirms SunCity's success in becoming a brand with high equity.

SunCity's excellent brand performance is further reaffirmed as it won the Silver Award in the property category awarded at the inaugural Putra Brand Awards 2010. The Putra Brand Awards are the only brand awards in the country endorsed by Malaysia External Trade Development Corporation (MATRADE) and supported by the Branding Association of Malaysia (BAM), Malaysian Advertisers Association (MAA) and Media Specialists Association (MSA).

#### Towards Excellence in Corporate Governance

As a public listed company, SunCity also views its role as a responsible corporate citizen seriously and places high emphasis in accountability and transparency when reporting to its stakeholders. In this regard, SunCity has received the National Annual Corporate Report Awards ("NACRA") for the third consecutive year for the Industry Excellence Awards categorised under the Main Market - Properties, Hotels and Trusts category from 2007 to 2009.

In 2009, SunCity also clinched the Silver Award for Best Annual Report in Bahasa Malaysia. NACRA is Malaysia's most prestigious award in recognition of excellence in corporate reporting and is a clear testament of its high standards in corporate reporting.

The award was jointly presented by Bursa Malaysia, Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

#### Committed to Delivering Values

Moving forward, SunCity is committed to continue delivering innovative, creative and award-winning projects that will surpass the needs of its discerning and valued customers in today's property landscape.







Sunway Tower 2 - standing tall in the heart of Kuala Lumpur's golden triangle.







## Focus on commercial, retail properties

**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has shifted its focus from residential to commercial and retail properties, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said the company's strategy was to focus on high-quality commercial and retail properties, which would provide a better return on investment than residential properties.

Lim said that Sunway City had been successful in its residential projects, but he believed that the commercial and retail sectors offered more growth potential. He mentioned that the company had already started several commercial and retail projects, and he expected more to be launched in the near future.

Lim also mentioned that Sunway City had a strong financial position, which would enable it to undertake larger commercial and retail projects. He said that the company had a strong track record of delivering high-quality projects on time and within budget.

## From mining land to integrated resort city

**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has transformed from a mining land to an integrated resort city, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the company had successfully developed a large-scale integrated resort city, which included a mix of residential, commercial, and retail properties.

Lim mentioned that the integrated resort city was a testament to Sunway City's ability to develop a large-scale project from scratch. He said that the company had invested heavily in infrastructure and amenities, which had helped to create a vibrant and livable community.

Lim also mentioned that the integrated resort city had become a major attraction for tourists and investors alike. He said that the company had received numerous accolades for its development, and he expected more to be achieved in the future.

## Sunway gives RM10,000 for family day

**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has donated RM10,000 to support a family day event, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the donation was a gesture of support for the community and a way to promote family values.

Lim mentioned that the family day event was a popular annual event where families could spend time together and enjoy various activities. He said that the donation would be used to support the event and provide a better experience for the families.

Lim also mentioned that Sunway City was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

## Sunway Tower launched

Ex-Wisma Denmark building has undergone dramatic changes

**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has launched the Sunway Tower, a new high-rise building in the city center. The building has undergone dramatic changes from its previous incarnation as the Ex-Wisma Denmark building.

Lim mentioned that the Sunway Tower was a testament to Sunway City's ability to transform an old building into a modern, high-quality structure. He said that the building had been completely renovated and modernized, and it now offered a new look and feel to the city center.

Lim also mentioned that the Sunway Tower was a major achievement for Sunway City, and he expected it to become a landmark building in the city. He said that the company was proud of the team that had worked on the project and he expected more success in the future.

**By Sharmila Sivasubramanian**

The Sunway Tower, a new high-rise building in the city center, has been launched by Sunway City Berhad (Sunway City). The building has undergone dramatic changes from its previous incarnation as the Ex-Wisma Denmark building.

Lim mentioned that the Sunway Tower was a testament to Sunway City's ability to transform an old building into a modern, high-quality structure. He said that the building had been completely renovated and modernized, and it now offered a new look and feel to the city center.

Lim also mentioned that the Sunway Tower was a major achievement for Sunway City, and he expected it to become a landmark building in the city. He said that the company was proud of the team that had worked on the project and he expected more success in the future.

## SunCity sees strong recovery

It is planning over RM1bil in new property launches next year

**By Sharmila Sivasubramanian**

SunCity Berhad (SunCity) sees a strong recovery in the property market, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the company had a strong pipeline of new property launches, and he expected a strong recovery in the market next year.

Lim mentioned that SunCity had a strong financial position, which would enable it to undertake larger property launches. He said that the company had a strong track record of delivering high-quality projects on time and within budget.

Lim also mentioned that SunCity was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

**By Sharmila Sivasubramanian**

SunCity Berhad (SunCity) has a strong pipeline of new property launches, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the company had a strong track record of delivering high-quality projects on time and within budget.

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Lim also mentioned that SunCity was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

## SunCity beefs up office offering

**By Sharmila Sivasubramanian**

SunCity Berhad (SunCity) has beefed up its office offering, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the company had a strong pipeline of new office launches, and he expected a strong recovery in the market next year.

Lim mentioned that SunCity had a strong financial position, which would enable it to undertake larger office launches. He said that the company had a strong track record of delivering high-quality projects on time and within budget.

Lim also mentioned that SunCity was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

## Sunway's green culture recognised

Developer to receive two GreenMark certifications from BCA

**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has been recognized for its green culture, according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the company had received two GreenMark certifications from the Building and Construction Authority (BCA), which was a testament to its commitment to sustainable development.

Lim mentioned that Sunway City had a strong track record of delivering high-quality, sustainable projects. He said that the company had invested heavily in green building technologies and practices, which had helped to create a more sustainable and livable environment.

Lim also mentioned that Sunway City was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

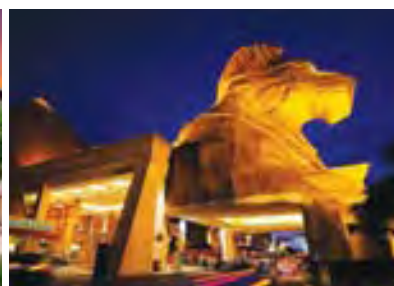
**By Sharmila Sivasubramanian**

Sunway City Berhad (Sunway City) has received two GreenMark certifications from the Building and Construction Authority (BCA), according to its chairman, Datuk Seri Dr. Lim Guan Eng. He said that the certifications were a testament to Sunway City's commitment to sustainable development.

Lim mentioned that Sunway City had a strong track record of delivering high-quality, sustainable projects. He said that the company had invested heavily in green building technologies and practices, which had helped to create a more sustainable and livable environment.

Lim also mentioned that Sunway City was committed to social responsibility and supporting the community. He said that the company would continue to engage in various social activities and support initiatives that benefited the community.

# Group Corporate Structure



## Property Development

Sunway Damansara Sdn Bhd  
 Sunway D'Mont Kiara Sdn Bhd  
 Sunway Semenyih Sdn Bhd  
 Sunway Monterez Sdn Bhd  
 Sunway City (Ipoh) Sdn Bhd  
 Sunway Rahman Putra Sdn Bhd  
 Sunway City (Penang) Sdn Bhd  
 Sunway Kinrara Sdn Bhd  
 Sunway Tunas Sdn Bhd  
 Sunway Townhouse Sdn Bhd  
 Sunway Crest Sdn Bhd  
 Sunway South Quay Sdn Bhd  
 Sunway Bukit Gambier Sdn Bhd  
 Sunway Grand Sdn Bhd  
 Sunway City Properties Sdn Bhd  
 Sunway Melawati Sdn Bhd  
 Sunway City India Private Limited  
 Sunway Cana City Development Ltd \*  
 Sunway SPK Homes Sdn Bhd \*\*  
 Sunway Opus International Private Limited \*\*  
 Sunway Real Estate (China) Limited \*\*

## Property Investment

Sunway Pyramid Sdn Bhd  
 Sunway Carnival Sdn Bhd  
 Peluang Klasik (M) Sdn Bhd  
 Sunway Platinum Success Sdn Bhd  
 Sunway Residence Sdn Bhd  
 Kinta Sunway Resort Sdn Bhd  
 Menara Sunway Sdn Bhd  
 Stellar Destiny Sdn Bhd  
 Sunway Tower 1 Sdn Bhd  
 Sunway Tower 2 Sdn Bhd  
 Sunway Monash-U Residence Sdn Bhd

### Notes:

The Group Corporate Structure excludes dormant and non-operating companies.

\* Associate companies

\*\* Jointly controlled entities





## Hospitality

Sunway Hospitality Holdings  
Ltd Group

Sunway Resort Hotel Sdn Bhd

Sunway Hotel (Penang) Sdn Bhd

Sunway Hotel (Seberang Jaya)  
Sdn Bhd

Sunway Hotel Phnom Penh Ltd



## Leisure

Sunway Lagoon Sdn Bhd

Sunway Travel Sdn Bhd

Sunway Lagoon Club Berhad

Sunway International Vacation  
Club Berhad

Sunway Healthy Lifestyle Sdn Bhd

Sunway Lagoon Water Park Sdn Bhd

Sunway Leisure Services Sdn Bhd

Pyramid Bowl Sdn Bhd \*



## Healthcare

Sunway Medical Centre Berhad

SunMed@Home Sdn Bhd

SunMed Clinics Sdn Bhd

Group  
Corporate  
Structure

# Corporate Information

## Board Of Directors

### Executive Chairman, Non-Independent Executive Director

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

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

Datuk Razman M Hashim

### Managing Directors, Non-Independent Executive Directors

Ngian Siew Siong – Property Development, International

Ngeow Voon Yean – Property Investment

Ho Hon Sang – Property Development, Malaysia (*Appointed on 19 March 2010*)

### Non-Independent Executive Director

Dato' Ng Tiong Lip (*Resigned on 20 May 2010*)

### Non-Independent Non-Executive Director

Lim Swe Guan

### Senior Independent Non-Executive Director

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim

### Independent Non-Executive Directors

Teo Tong How

Tan Siak Tee

Datin Paduka Low Siew Moi

## Audit Committee

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim (Chairman)

Teo Tong How

Tan Siak Tee

## Executive Committee Of The Board (Exco)

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

Datuk Razman M Hashim (*Alternate to Tan Sri Dato' Seri  
Dr Jeffrey Cheah Fook Ling, AO*)

Ngian Siew Siong

Tan Poh Chan (*Alternate to Ngian Siew Siong*)

Ngeow Voon Yean

Ho Hon Sang

Lim Swe Guan

Evan Cheah Yean Shin



**Nomination Committee**

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim  
(Chairman)  
Teo Tong How  
Tan Siak Tee

**Remuneration Committee**

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim  
(Chairman)  
Teo Tong How  
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO

**Employees' Share Option Scheme Committee**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO  
(Chairman)  
Datuk Razman M Hashim  
Ngian Siew Siong  
Ngeow Voon Yean

**Risk Management Committee**

Ngian Siew Siong (Chairman)  
Ngeow Voon Yean  
Yuen Kam Wah  
Lee Weng Keng  
Tan Poh Chan

**Share Registrar**

Sunway Management Sdn Bhd (50661-X)  
Level 16, Menara Sunway, Jalan Lagoon Timur  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No : (603) 5639 8889  
Fax No : (603) 5639 9507

**Auditors**

Ernst & Young  
Chartered Accountants

**Solicitors**

David Lingam & Co.  
Mah-Kamariyah & Philip Koh

**Principal Bankers**

HSBC Bank Malaysia Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
CIMB Bank Berhad  
Affin Bank Berhad  
OCBC Bank (Malaysia) Berhad

**Company Secretaries**

Puan Sri Datin Seri (Dr) Susan Cheah Seok  
Cheng (MIA 5601)  
Tan Kim Aun (MAICSA 7002988)  
Lee Suan Choo (MAICSA 7017562)

**Registered Office**

Level 16, Menara Sunway, Jalan Lagoon Timur  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel No : (603) 5639 8889  
Fax No: (603) 5639 9507

**Stock Exchange Listing**

Main Market of Bursa Malaysia  
Securities Berhad

**Website Address**

[www.sunwaycity.com](http://www.sunwaycity.com)

**Investor Relations**

Email : [irsuncity@sunway.com.my](mailto:irsuncity@sunway.com.my)  
Tel No : (603) 5639 9289

# Corporate Philosophy

**Sunway City Berhad is committed to satisfying the expectations of its stakeholders.**

## **CUSTOMERS**

We aim to earn the loyalty of our customers by providing superior service and quality products. We constantly measure their satisfaction, seeking every opportunity to satisfy their changing and implied needs.

## **EMPLOYEES**

We see people as our most valuable asset. We strive for total quality management encompassing customer focus, total involvement and continuous improvement supported by an effective system and measure. We foster trust, initiative, creativity and mutual respect among employees, and provide opportunities for personal development through continuous training.

## **SUPPLIERS**

Suppliers are a vital part of our property development chain. We develop and maintain mutually beneficial partnerships with suppliers who share our commitment to achieving ever-increasing levels of customer satisfaction through continuous improvements in quality, delivery and cost.

## **SHAREHOLDERS**

We strive to perform all our economic functions in the most efficient and productive manner employing optimal use of current technology. We constantly improve on ways to prevent problems, examine processes for improvement, benchmark for best practice and set strategic objectives. We protect our shareholders' investments, provide them a long-term attractive return, and give them confidence in our corporate governance through transparency and accountability.

## **NATION AND COMMUNITY**

We strive to return full value through our economic, intellectual and social contributions. We respect the environment and practise good citizenship.







SunCity is committed in providing quality, safe and comfortable living condition to our customers.

# Chairman's Statement



## Dear Shareholders

It is with great pleasure that I present to you our annual report which encapsulates the Group's positive performance and key achievements to date. On this premise, I would first like to mention that SunCity began the financial period 2009 under challenging global economic conditions due to the financial crisis originated from the United States which had affected other countries in Europe and Asia.

However, I am proud to mention that not only have we emerged from this challenging period relatively unscathed, but we have succeeded in achieving sizeable growth across all major business segments which was clearly not an easy feat. This was greatly attributed to our solid and dynamic business model that enabled us to increase the value of our core assets.

Clearly, this is a strong testament of the Group's ability to execute forward-thinking strategies to improve our existing business operations and swiftly capitalise on opportunities in the marketplace.

### Best of Both Worlds

SunCity is a reputable and integrated Malaysian property conglomerate. Possessing a unique business model, it enjoys a high-growth Property Development division and a stable base of income from its high-yielding Property Investment division.

The 2 divisions have helped us leverage on our strengths to weather the economic turbulence well. In essence, it has allowed us to stay focused on our goal to achieve sustainable growth as well as value creation for our stakeholders.

### Laudable Performance

Despite difficult economic conditions, SunCity achieved yet another year of laudable performance for the 18 months financial period ended 31 December 2009. SunCity recorded a Group revenue of RM1.6 billion and profit after tax and minority interest ("PATMI") of RM538 million. On an annualised basis, the PATMI of RM359 million represented a growth of 37% from RM262 million in the previous financial year. Excluding the non-core operational performance, SunCity achieved a core PATMI of RM225 million for the 18 months financial period ended 31 December 2009 which represents a core earnings per share of 47 sen.

### Dividend

As a result of this strong financial performance, the Directors are pleased to propose a final dividend of 5 sen per share of RM1.00 each for the financial period ended 31 December 2009. Together with the interim dividend of 8 sen per share that was paid in respect of the financial period ended 31 December 2009, this would bring the total gross dividends to 13 sen per share for the financial period ended 31 December 2009.





SunCity's newest eco-wellness offering, The Banjaran Hotsprings Retreat in Tambun, Ipoh, Perak.

### Delivering Values

The 2009 financial period has been a truly rewarding one for SunCity and its stakeholders as several major investments have generated excellent contributions to the Group's profits. We also foresee that these investment assets will lead to recurring revenue in the years to come. As such, I am pleased to mention that the theme for this Annual Report is 'Delivering Values'.

During the period under review, the Group achieved numerous milestones in both its Property Development and Property Investment divisions.

In addition to delivering quality properties with positive capital appreciation to our customers, the Group placed more emphasis in constructing properties that incorporate innovative green features to preserve the environment.

The Property Development division garnered the prestigious Gold Award (High-Rise Residential Development – Provisional) in Singapore's Building and Construction Authority ("BCA") Green Mark Scheme (Green Building Design) with its Sunway Palazzio development, the first high-rise residential development in Malaysia to receive this coveted award. In addition, Sunway Challis Damansara, Sunway Vivaldi and Nautica, Sunway South Quay luxury condominiums also received the BCA Green Mark certification.

For the Property Investment division, since the completion of Sunway Pyramid's expansion in October 2007, we witnessed a strong patronage of international and local visitors to Sunway Pyramid and also enjoyed a full occupancy rate. Within a period of 2 years, Sunway Pyramid has won numerous awards in both the Malaysian and international retail scenes, cementing its status as a popular retail destination.

The Group's Property Investment division also launched Sunway Tower 2 (formerly known as Wisma Denmark) in January 2010. Since we acquired the building in 2007, Sunway Tower 2's value has increased by almost 20%. With the appreciation, we are very positive with the development of Sunway Tower 1 on the adjoining parcel of land in the near future.

Another important highlight was the completion of Sunway Giza in Sunway Damansara, a 6.17-acre neighbourhood specialty centre in December 2009. At 160,000 square feet of gross floor area, Sunway Giza is an integrated specialty retail centre that is designed to cater to the shopping, leisure and entertainment needs of surrounding communities in Damansara and Petaling Jaya.



Launch of Sunway Tower 2 by the Mayor of Kuala Lumpur.

The Hospitality division also added another milestone with the opening of The Banjaran Hotsprings Retreat in Tambun, Ipoh. We are convinced that this eco-luxury wellness retreat which consists of 25 villas and a holistic spa will play an important role in promoting Malaysia as a new destination for the wellness tourism industry. This spa is situated on a 56-acre valley fringing a cluster of towering hills, built around the natural enclaves of hotsprings and is surrounded by one of the oldest rain forest in the world. It has also been named by the Asia Spa as one of Asia's Top 10 spiritual retreats.

The Leisure division continued to strengthen its offerings at Sunway Lagoon and Lost World of Tambun. Both theme parks have grown from strength to strength and enjoyed strong visitorship throughout the year. Furthermore, both parks have placed Malaysia on the world map as a top leisure destination. We are also proud to mention that Sunway Lagoon has won the Asia's Best Attraction Awards for 3 consecutive years. It has been the venue of choice for many international events which include the MTV World Stage LIVE in Malaysia that attracted 15,000 visitors and was broadcasted on over 44 different MTV channels to an audience of over 600 million households globally.

The Sunway Medical Centre's expansion which commenced in 2006 was completed in December 2009. With this expansion, Sunway Medical Centre has reaffirmed its standing as a key player in the medical industry and will play a bigger role in supporting the government's plan of expanding the medical tourism industry.

### Leading Community Master Developer

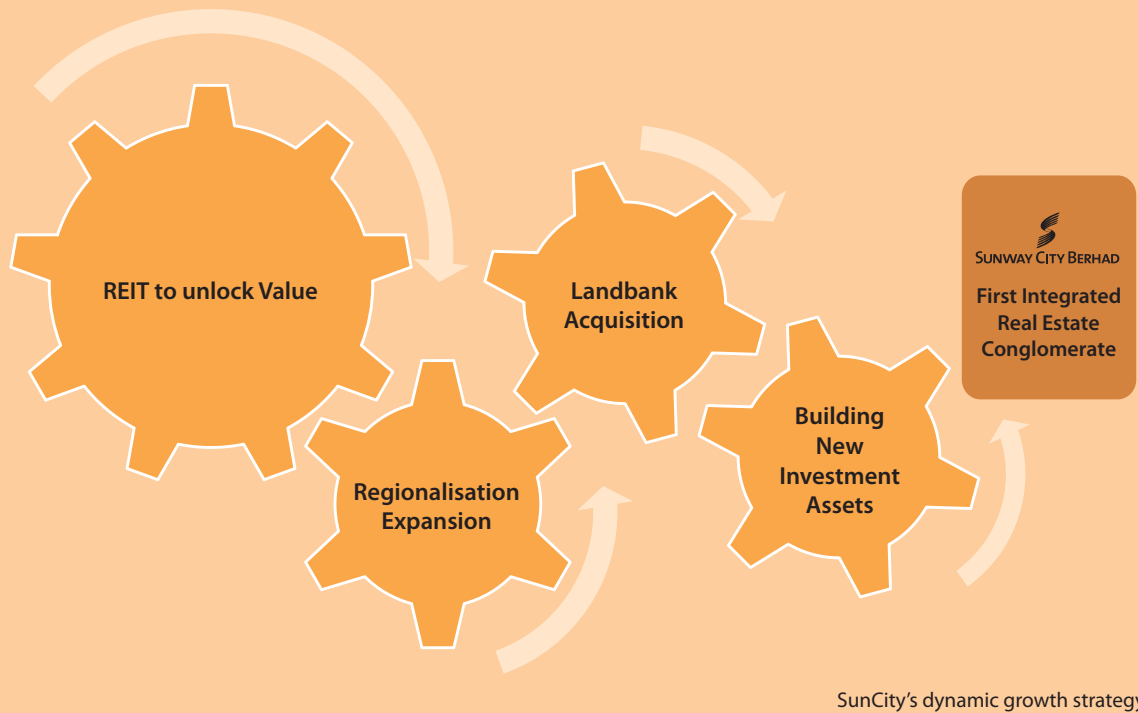
SunCity views its role as a leading community master developer seriously. The story of the successful transformation of the 800-acre wasteland into what is now the impressive Sunway Integrated Resort City is still a lingering testimony of the Group's continuous efforts to consistently deliver value to its customers and shareholders alike.

I am heartened to mention that despite the challenges we faced, we successfully injected back flora and fauna into a once forgotten and abandoned mining land. I am also proud to add that the Sunway Integrated Resort City has various components to enhance the quality of life for its residents as evidenced by the healthcare, leisure and education facilities available. This in turn has uplifted the image and property value of the township.

To date, we not only claim credit for the thriving development of the Sunway Integrated Resort City, but also for Sunway City Ipoh and Sunway Damansara townships. These 3 townships represent the Group's expertise and competitive advantage in extracting value from a parcel of land and transforming it into a vibrant community hub.

I would also like to announce that the Group has been embracing the Lifestyles of Health and Sustainability ("LOHAS") philosophy in its property development projects. LOHAS is actually a marketplace term that is used to describe a market sector that desires goods and services which are focused on the pillars of health and fitness, the environment, personal development and sustainable living.





We are fully aware that homebuyers are becoming increasingly sophisticated in their choice of properties. The key criteria for homebuyers are comprehensive security features, a contemporary and environmentally-friendly design and lush green surroundings. As such, we will continue to infuse the LOHAS philosophy in our future projects with the aim of enriching the lives of our valued customers.

### Market Outlook

As mentioned earlier, the year 2009 was filled with challenges from both locally and abroad. Fortunately, we are now seeing gradual improvements on the overall market conditions for 2010. This is a result of the stimulus initiatives by global monetary authorities and various governments to embark on a global recovery plan. Based on these efforts and stronger consumer demand, the global economy is now projected to grow at a healthier pace.

In Malaysia, from an economic contraction of 1.7% in 2009, our government has forecasted a 4.5% to 5% economic growth for 2010 in anticipation of the global market recovery. This should herald the beginning of better things ahead. Additionally, the residential property market has recovered from the impact of the global financial crisis.

Although Bank Negara Malaysia has raised interest rates by 25 basis points, it is unlikely that the hike would dampen the property market. The property outlook in Malaysia remains positive with a strong take-up rate across all sectors.

The New Economic Model that was announced by our Prime Minister Dato' Sri Najib Tun Abdul Razak will also help steer the growth of Malaysia's economy.

On the international front, SunCity's strategy to expand further in China and India is further complemented by both of the countries' robust economic outlook at a gross domestic product growth of 9.6% and 8.2% respectively (as forecasted by the Asian Development Bank).

### Moving into the Next Phase of Growth

As highlighted earlier, SunCity's "Best of Both Worlds" business model has enabled us to leverage on the stable income generated from our property investment activities to fund our high-growth property development business.

With the vast majority of our investment assets achieving good yields, it is clearly the right time to move up the value chain. As part of our growth strategy, we are now prepared to unlock the value of these investment assets by injecting them into a Real Estate Investment Trust ("REIT"). We see the REIT as an opportunity to re-invest the proceeds for new investment properties and boost our Property Development division. The REIT strategy will place us in a unique position of being Malaysia's first integrated real estate conglomerate.

## Expanding Frontiers

Our solid track record has led us to remain in the top 10 of The Edge Top Property Developers Award list for 7 consecutive years. As such, it is a natural progression for SunCity to spread its wings to the region and be a top property developer in the region. To this end, SunCity aims to achieve 50% of its revenue from overseas projects within a span of 5 years.

SunCity intends to replicate its success in Malaysia in the overseas market by consolidating its years of knowledge and expertise in building quality residential and commercial properties. In this respect, SunCity has expanded its reach in 2 of the world's most populous countries, namely India and China, with new property development projects.

We are proud to have been selected by Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd ("SSTEC") to participate in their 30 square kilometres Tianjin Eco-City project in China. We have signed a Collaboration Agreement with SSTEC on 30 April 2010. This is a further affirmation of our strong track record as we are the only Malaysian developer amongst other leading international property players from Hong Kong, Taiwan, Japan, Singapore and China.

SunCity will develop 102 acres of land within Tianjin Eco-City and incorporate the LOHAS concept, making it the first of its kind project in China. This project is expected to be developed over a period of 5 years and has an estimated gross development value of RM5 billion.

To fortify our position in the international property scene, it is equally important to have competent and experienced managers to lead the team forward. I am especially grateful for Mr Ngian Siew Siong's efforts in taking on the very important task of focusing and growing the Group into a global property conglomerate. With his wealth of experience and astute understanding of the property sector, I am confident that Mr Ngian will provide enormous value in growing and developing the International Property Development division.

Other than the Property Development division, our Hospitality division, Sunway International Hotels & Resorts, is also on track with its regional expansion plans. We have been appointed by Perfect (China) Co. Ltd to manage the Golden Diamond Hotel in Zhongshan, China. In addition, we also have a shopping mall management contract with Yitian

Holiday Plaza in Shenzhen, China. The shopping mall which was launched in September 2008 is fully tenanted with various local and international brands. This provides us with an opportunity to further expand our Property Investment and Hospitality divisions as well as share our expertise and knowledge globally.

## Strengthening our Local Presence

SunCity continued to strengthen its local presence with the successful launch of Sunway SPK 3 Harmoni Garden Homes. The townhouse offering received overwhelming response with 80% of its units sold within a week of its launch.

In the pipeline is Sunway VeloCity, a RM1.5 billion vibrant integrated development comprising service apartments, business suites, retail spaces and a lifestyle shopping mall. Spread over 22 acres of prime freehold land, it is strategically located within 5 kilometres from the Kuala Lumpur city centre. This exciting development is set to transform the skyline of Kuala Lumpur South.

Aligned with the Group's strategy to acquire landbanks in attractive locations, we will continue to review potential landbanks to extract greater value.

Apart from this, the Group will also be adding more high-yielding investment assets to its portfolio including a 28-storey mixed use commercial building with office and retail elements and 1,027 parking bays adjacent to Sunway Pyramid, and a 25-storey office building located between the 2 main arterial roads in Sunway Integrated Resort City. Both proposed developments would improve the commercial and retail opportunities of Sunway Integrated Resort City.

## Awards and Accolades

I am delighted to announce that once again, SunCity has been honoured with a selection of important awards and accolades that recognises our contributions and achievements in the marketplace.

For the seventh consecutive year, the Group was awarded The Edge's Top Property Developers Award. This is a prestigious honour as this award is a benchmarking tool that ranks the country's best property players in terms of financial performance, quality, innovation, creativity and value creation for buyers.





Winning the Malaysia's Most Valuable Brands for the third consecutive year, this award honours the top 30 consumer brands in Malaysia.

Also, for the third consecutive year, we have been recognised as Malaysia's Most Valuable Brands ("MMVB") by the Association of Accredited Advertising Agencies Malaysia (4As) in collaboration with Interbrand. MMVB is a brand valuation and benchmarking exercise of high performing Malaysian brands.

SunCity's excellent brand performance is further reaffirmed as it won the Silver Award in the property category awarded at the inaugural Putra Brand Awards 2010. The Putra Brand Awards are the only brand awards in the country endorsed by the Malaysia External Trade Development Corporation (MATRADE) and supported by the Branding Association of Malaysia (BAM), Malaysian Advertisers Association (MAA) and Media Specialists Association (MSA).

On top of that, SunCity bagged 2 awards in the National Annual Corporate Report Awards ("NACRA"). Apart from winning its third consecutive Industry Excellence Awards in the 'Properties, Hotels and Trusts Category', the Group also took home its first Silver Award for 'Best Annual Report in Bahasa Malaysia'. The NACRA is the nation's foremost award in recognition of excellence in annual corporate reporting. Acquiring this award is an acknowledgement of the Group's high standard of corporate reporting for greater transparency and accountability.

### Appreciation

Before I conclude, I would like to take this opportunity to acknowledge the hard work and contributions of SunCity's management and staff. Their tireless efforts and dedication to grow SunCity is indeed admirable and I hope that they will continue to share their ideas to ensure that we stay ahead in the marketplace. I would also like to thank our valued stakeholders; including our customers, business associates, bankers, government authorities and shareholders for your continuous support in SunCity.

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

30 April 2010

# Calendar of Significant Events

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Sunway City Berhad Annual Report 2009

## 30 Apr 2010 Signing of Collaboration Agreement with Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd ("SSTEC")

SunCity and SSTEC signed the Collaboration Agreement to develop 102 acres within the Tianjin Eco-City based on the Lifestyles of Health and Sustainability ("LOHAS") concept, which is the first in China. This project has an estimated gross development value ("GDV") of RM5 billion and is expected to be developed over 5 years.



## 15 Feb 2010 Soft Opening of SunCity's Fourth Retail Mall

Tapping into its expertise in building, owning and managing retail investment properties, SunCity had a soft opening for its fourth retail mall, Sunway Giza Specialty Centre in Sunway Damansara during Chinese New Year. With a net lettable area of 100,000 square feet, the mall has achieved full occupancy rate. This clearly demonstrates the retailers' confidence in SunCity's expertise in managing its retail properties.

## 15 Jan 2010 Launch of First Commercial Office in Kuala Lumpur

SunCity has marked its name in the Kuala Lumpur's Golden Triangle by launching its first commercial office tower, Sunway Tower 2 (formerly known as Wisma Denmark). After the acquisition of Wisma Denmark, SunCity spent RM16 million for the refurbishment exercise. A 33-storey prime office tower, Sunway Tower 2 meets the stringent demands of multinational corporations and embassies within the Kuala Lumpur's Golden Triangle.

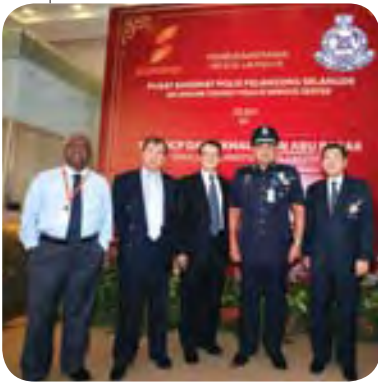




17 Dec 2009

**Launch of Selangor's First Tourist Police Service Centre**

SunCity launched the state's first Tourist Police Service Centre at Sunway Pyramid. The centre, situated at the main entrance of the shopping mall, will cater to the estimated 30 million visitors, of which 65% are tourists who visit the Sunway Integrated Resort City annually. Selangor police chief DCP Datuk Khalid Abu Bakar launched the centre which was built by SunCity at a cost of RM500,000. The centre is manned by 18 personnel and led by an Assistant Superintendent of Police.



11 Nov 2009

**Opening of SunMed Clinic at Sunway Pyramid**

SunMed Clinic is an extension of the Sunway Medical Centre's staff health/primary care services. This clinic was set up for 3 main reasons, the primary one being to provide a more convenient and accessible clinic for the Sunway Group's staff. Second, the new clinic will also serve the needs of the burgeoning student population of Sunway University College and Monash University Sunway Campus.

Lastly, the clinic facility has also been designed with the needs of medical education/teaching and clinical research in mind.



14 Oct 2009

**Soft Launch of Sunway Opus Grand**

SunCity's first India project, Sunway Opus Grand (worth RM1.5 billion in GDV) in Hyderabad had its soft launch. It saw an enthusiastic participation from more than 500 stakeholders including potential customers and press members. A priority preview of the model apartments was specially arranged for the privileged guests to select a unit of their choice.



## Calendar of Significant Events

### 29 Aug 2009 SunCity contributes RM1.5 million to build service road

SunCity contributed RM1.5 million to build the 750-metre service road from Ipoh to Tambun. Officially opened by the Second Finance Minister and also Member of Parliament for Tambun, Dato' Seri Ahmad Husni Mohamad Hanadzlah, the service road which is the nearest exit from the North South Expressway to Ipoh city centre via Jalan Tambun, will help motorists avoid the peak period congestion along Jalan Sultan Azlan Shah Utara.



### 28 Aug 2009 MTV World Stage LIVE in Malaysia at Sunway Lagoon

Sunway Lagoon played host to more than 15,000 music fans during the MTV World Stage LIVE in Malaysia. It was broadcasted on 44 different MTV channels in over 150 territories to an audience of over 600 million households. This event has placed Malaysia and Sunway on the world map as a top leisure and entertainment destination.

### 24 Aug 2009 Launch of Lost World Petting Zoo

Lost World of Tambun is proud to announce their new attraction, The Lost World Petting Zoo. Covering an area of 80,000 square feet, a unique petting zoo has been created within the natural jungle, against a backdrop of limestone hills. The Lost World Petting Zoo has been created at a cost of RM6 million and hosts 4,000 animals.







### 24 Aug 2009 Earth Hour 2009

SunCity joined in the effort to fight against global warming and climate change. In support of the global campaign, SunCity pledged its commitment by organising a 3-day exhibition at Sunway Pyramid themed, 'Sunway Green Fair – A Sustainable Living Programme'.



### 23 Jun 2009 Monash University Sunway Campus and Sunway Medical Centre collaborate to set up new teaching hospital

Monash University Sunway Campus ("MUSC") and Sunway Medical Centre ("SunMed") signed a Memorandum of Understanding to set up a new teaching school at SunMed that will also house a cancer research centre. The strategic collaboration will soon provide teaching attachments for MUSC medical students in a range of disciplines.



### 27 May 2009 Gotong Royong at Dataran Sunway

Supporting the Mayor of Petaling Jaya City Council's commitment to make 2009 the year of cleanliness for the city, Sunway Damansara Sdn Bhd organised the "Gotong-royong" campaign with the Petaling Jaya City Council ("MBPJ") to clean the Dataran Sunway commercial centre in Kota Damansara. The event was officiated by the Mayor of MBPJ, Dato' Mohamad Roslan bin Sakiman.

14 Apr 2009

### Malaysian World Salsa Congress 2009

Sunway Pyramid Convention Centre hosted the Malaysian World Salsa Congress 2009. This is the only Salsa Congress in Malaysia which provided the opportunity for Latin Ballroom dance enthusiasts and Dance Sport enthusiasts to participate in a professional capacity at the Congress.



10 Apr 2009

### Free Shuttle Bus within Sunway Integrated Resort City

SunCity launched its first free shuttle bus service around Sunway Integrated Resort City. This move has been well received by the residents in the township and is in line with SunCity embracing the LOHAS philosophy.

24 Mar 2009

### Launch of Sunway Lagoon Wildlife Park

Minister of Natural Resources and Environment, Datuk Douglas Uggah Embas, launched the Wildlife Park at Sunway Lagoon. Sunway Lagoon Wildlife Park incorporates education and entertainment features, hence providing its visitors with an interactive experience to see, touch and learn about over 160 species of animals in a safe environment.







11 Mar 2009  
Sunway Memories  
Photography Contest Award  
Presentation Ceremony

The Sunway Memories photography contest saw an overwhelming response of more than 10,000 entries. Apart from Malaysia, there were participants from Singapore, Indonesia and United Arab Emirates.



26 Sep 2008  
Road Safety Campaign Launch

Sunway Pyramid took part in the Road Safety Campaign in conjunction with the Hari Raya festival. The event was held at the New Pantai Expressway Petaling Jaya Selatan 5 toll booth.



20 Aug 2008  
Skate Asia 2008

Sunway Pyramid hosted the Skate Asia 2008, an international premier skating competition. More than 1,000 skaters from countries like Singapore, Indonesia, Philippines, Hong Kong, China, Thailand, United Arab Emirates, Macau and USA competed for this championship which was hosted by Malaysia for the third time.

# Awards and Accolades

Mar 2010



## Sunway City Berhad Putra Brand Awards Silver Award in the Property Development Category

*By Association of Accredited  
Advertising Agencies Malaysia (4As)*

SunCity won the Silver Award for property category in the inaugural Putra Brand Awards 2010.

The Putra Brand Awards are the only brand awards in Malaysia endorsed by the Malaysia External Trade Development Corporation (MATRADE) and supported by the Branding Association of Malaysia (BAM), the Malaysian Advertisers Association (MAA), and the Media Specialists Association (MSA).

Organised in association with the Malaysia's Most Valuable Brands ("MMVB"), the Putra Brand Awards are a recognition and brand valuation exercise to recognise brands that are near and dear to the hearts of Malaysians. While MMVB measures brands by financial valuation, the Putra Brand Awards measure brands by consumer preference.

## Sunway City Berhad Top 10 Islamic Groundbreaker Deals 2009

*By Islamic Finance Asia magazine*

The Sunway Platinum Success deal was deemed groundbreaking as it extended beyond the traditional boundaries of a typical Musharakah Mutanaqisah partnership which is typically used for home financing.

This is testament to the Group's belief that innovation does not only need to lie in its products and services but in all aspects of its business operations as well.



Mar 2010

Feb 2010



**Sunway Pyramid  
Malaysia Year End Sale ("MYES")  
Awards 2009**

- i. Best Thematic Decoration for MYES 2009 (Suburban)
- ii. Best Promotions and Events for MYES 2009 (Suburban)

*By Ministry of Tourism Malaysia*

Sunway Pyramid was the winner for both 'Best Thematic Decoration' and 'Best Promotions and Events' under the Suburban category. It is the only shopping mall awarded 2 awards in a row thus far. Present to confer the awards was Dato' Sri Dr Ng Yen Yen, Minister of Tourism, Malaysia.

Dec 2009



**Sunway Lagoon  
LIBUR Travel Awards 2009**

Best Theme Park Attraction Award  
*By LIBUR Magazine supported by the  
Ministry of Tourism Malaysia*

Sunway Lagoon won the award at the prestigious travel award for the second time. The award was accorded after it received a majority of votes in excess of 100,000 cast by LIBUR Travel Magazine readers, seasoned travel editors and overseas visiting travel writers.

**Lost World of Tambun  
Malaysia Tourism Awards 2009**

Innovative Tourist Attraction  
(Natural Attraction/Eco Tourism)  
*By Ministry of Tourism Malaysia*

The winning award was presented by the Minister of Tourism, Dato' Sri Dr Ng Yen Yen. The award aimed to recognise the industry players for product and service excellence, as well as to reward them for their efforts to promote the local tourism industry.

This award is the highest accolade for individuals and organisations, whose outstanding contributions play a significant role in the success of Malaysia's tourism industry.



Jan 2010



Dec 2009



**Sunway City Berhad  
National Annual Corporate  
Report Awards 2009**

- i. Industry Excellence Awards in the Properties, Hotels and Trusts Category
- ii. Best Annual Report in Bahasa Malaysia (Silver Award)  
*By Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA)*

SunCity has once again been named the winner under the Properties, Hotels and Trusts category, having claimed the title since 2007.

In addition, SunCity also clinched the Silver Award for Best Annual Report in Bahasa Malaysia, achieving the accuracy in usage of accounting and financial terminologies, fluency of translation as well as adopting a user friendly presentation and readability.

Nov 2009



**Sunway Group  
Malaysia's 100 Leading  
Graduate Employers 2009**

*By GTI Media*

Ranked 34<sup>th</sup> in the Malaysia's 100 Leading Graduate Employers 2009 Awards, Sunway Group upped its position by 2 places from 36<sup>th</sup> in 2008. Sunway Group also came in as one of the 4 nominees in 2 categories - Leisure, Travel & Hospitality and Property & Development.

The award, voted by students and graduates, is a recognition given to all industry leaders in the Malaysian graduate recruitment market. Its goal is to identify the top 100 employers of choice.



Nov 2009

**Sunway City Berhad  
Qlassic Silver Achievement  
Certificate**

under the Stratified Housing Building Category  
*By Construction Industry Development Board of Malaysia ("CIDB")*

Sunway Challis Damansara has been awarded the Qlassic Silver Achievement Certificate under the Stratified Housing Building Category. The Quality Assessment System in Construction held yearly by CIDB is a method used to measure and evaluate the quality of construction project based on standard requirements that have been identified.

Since 2007, 8 projects have been assessed by CIDB and this has been a tremendous motivation to the Group to move forward.

Nov 2009


**Sunway City Berhad  
Malaysia's Most Valuable  
Brands 2009**

*By Association of Accredited  
Advertising Agencies Malaysia  
(4As) and sanctioned by  
Interbrand*

For 3 years in a row,  
SunCity has been part of a  
distinguished league that  
honours the Top 30 Malaysian  
consumer brands.

The valuation study was  
commissioned by 4As and  
The Edge, and was conducted  
by Interbrand.

Jul 2009


**Sunway City Berhad  
CNBC Asia Pacific Residential  
Property Awards 2009**

Best High-Rise Residential  
Development in Malaysia:  
Sunway Palazzo at Sri Hartamas,  
Kuala Lumpur  
*By Consumer News and Business Channel  
("CNBC") Television*

Sunway Palazzo won the CNBC Asia Pacific  
Residential Property Awards 2009 in the  
High-Rise Residential Development in  
Malaysia category.

The CNBC Asia Pacific Residential  
Property Awards are part of the  
international property awards, a premier  
annual programme that distinguishes  
companies with the highest level of  
achievement in 21 categories. Winners  
are identified as players who continuously  
raise the standards of the industry by  
providing excellent skills and services, and  
continue to reach new heights in quality  
and innovation.

**Sunway City Berhad  
The Edge Top Property  
Developers Awards 2009**

*By The Edge*

It is the seventh consecutive year  
that SunCity is recognised in the  
Top 10 list. SunCity retained its  
third placing for the second  
consecutive year. This award is a  
benchmarking tool that ranks the  
country's best property players in  
terms of financial performance,  
quality, innovation, creativity and  
value creation for buyers.



Oct 2009

Jun 2009



**Sunway Lagoon**  
**Asia's Best Attraction Awards 2009**

Medium category  
(1-2 million visitors annually)  
*By AXN and International  
Association of Amusement  
Parks & Attractions (IAAPA)*

Sunway Lagoon won the Asia's Best Attraction Awards for the third consecutive year. The award honours the best attractions and preferred destinations throughout Asia.

Apr 2009



**Sunway Pyramid**  
**MY Branded Service Award 2009**  
*By Markplus Inc*

Sunway Pyramid chalked up yet another achievement when it recently clinched the inaugural MY Branded Service Award 2009 for the best of Malaysia branded service in the shopping mall category.

The MY Branded Service Award recognises companies that provide outstanding service quality by adopting their own characteristic of service to differentiate from other competitors.

The achievement was presented by the Father of Modern Marketing, Professor Philip Kotler who is touted the world's most authoritative marketing guru together with the Markplus Inc founder Mr Hermawan Kartajaya.



May 2009

**Sunway Lagoon and**  
**Sunway Skating Rink**  
**The BrandLaureate SMEs**  
**Chapter Awards 2009**  
*By Asia Pacific Brands Foundation*

- i. CORPORATE BRANDING  
Best Brands in Leisure -  
Sunway Lagoon
- ii. PRODUCT BRANDING  
Best Brands in Leisure –  
Sunway Skating Rink

The BrandLaureate Awards are the only Brand Awards endorsed by His Majesty Seri Paduka Baginda Yang di-Pertuan Agong Al-Wathiqu Billah Tuanku Mizan Zainal Abidin. SunCity was awarded the Corporate Branding Award in recognition for building a successful brand and strong brand identity. It was also awarded the Product Branding Award in honour of the best products and services.



Apr 2009



**Sunway Group  
The BrandLaureate Conglomerate  
Awards 2008/2009**

*By Asia Pacific Brands Foundation*

Sunway Group once again proved its brand power after winning the coveted BrandLaureate Conglomerate Awards 2008/2009 for the second consecutive year.

The recognition was bestowed to the Group under the Conglomerate category and it was among the top three awards presented at the gala ceremony.

It is an annual exercise to honour the country's most notable brands. It is aimed at recognising the impact and thought leadership of these brand leaders across various industries.

Dec 2008



**Sunway City Berhad  
Asia Pacific Super Excellent  
Brand Award 2008**

*By Asia Entrepreneur Alliance*

The award celebrates and recognises those building and leading successful, growing and dynamic brands. It is also a trademark that signifies the pride of the entrepreneurs. The SunCity brand is well-accepted and has a strong top-of-mind recall amongst consumers and peers in the industry.

The Asia Pacific Super Excellent Brand Award is organised annually and endorsed by the Asia Entrepreneur Alliance (AEA) with the support from Global Branding Council and Global CEO Magazine.



Mar 2009

**Sunway Resort Hotel & Spa  
Best Marketed Restaurant 2008**

*By The Malaysia International  
Gourmet Festival ("MIGF")*

Sunway Resort Hotel & Spa was the proud recipient of the "Best Marketed Restaurant Award" for Avanti Italian-American Ristorante and West Lake Garden Chinese Restaurant in their participation in the month-long MIGF.

The award honours outstanding restaurants and exceptional personalities that had participated in the festival. This annual gourmet event has been setting the standards and promoting a sustained interest in Malaysia's dining scene and ultimately, positioning Malaysia as an international culinary destination of choice.

Nov 2008



**Sunway City Berhad  
National Annual Corporate  
Report Awards 2008**

Industry Excellence Awards in the Properties, Hotels and Trusts Category  
*By Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysia Institute of Management (MIM) and Malaysian Institute of Certified Public Accountants (MICPA)*

This is the second consecutive year that SunCity is receiving the award for good corporate governance, accountability and integrity in its corporate reporting.

The award is the benchmark for excellence in corporate reporting which recognises transparent and effective communication between the organisation and its stakeholders through the publication of timely, informative, factual and reader-friendly annual report.

Oct 2008



**Sunway Pyramid  
National Quality Toilet Award - Gold**

*By Quality Restroom Association of Malaysia (QRAM) in collaboration with the National Toilet Cleanliness Committee (NTCC) under the Ministry of Housing and Local Government, Malaysia*

The award was to recognise organisations with lavatories in the best state of cleanliness, along with best design and special features.



Nov 2008

**Sunway Medical Centre:  
LEAN Club  
Hospital Management Asia  
("HMA") Awards 2008**

*under the Marketing, Public Relations or Promotional Category  
By OIC Events*

LEAN stands for "Life-changing Education through Activity and Nutrition" and it is a paediatric obesity and wellness programme. It is Malaysia's first holistic family-based intervention programme that encompasses medical and behavioural intervention, nutrition education and physical exercises with a large fun component.

The HMA Awards recognises and honours hospitals in Asia that carry out commendable hospital practices. Now in its seventh year, it attracted 233 entries from 55 hospitals in 15 countries.

# Our Awards



**Malaysia Tourism  
Awards 2009**



**The BrandLaureate  
Conglomerate Awards  
2008/2009**



**Malaysia's Most  
Valuable Brands 2009**



**NACRA 2009  
Best Annual Report in  
Bahasa Malaysia  
Silver Award**



**NACRA 2009  
Industry Excellence  
Awards**



**Putra Brand  
Awards 2010**



**MY Branded Service  
Award 2009**



**CNBC Asia Pacific  
Residential Property  
Awards 2009**



**The Edge Top  
Property Developers  
Awards 2009**



**Asia's Best Attraction  
Awards 2009**



**Malaysia's 100  
Leading Graduate  
Employers 2009**





## Performance Review

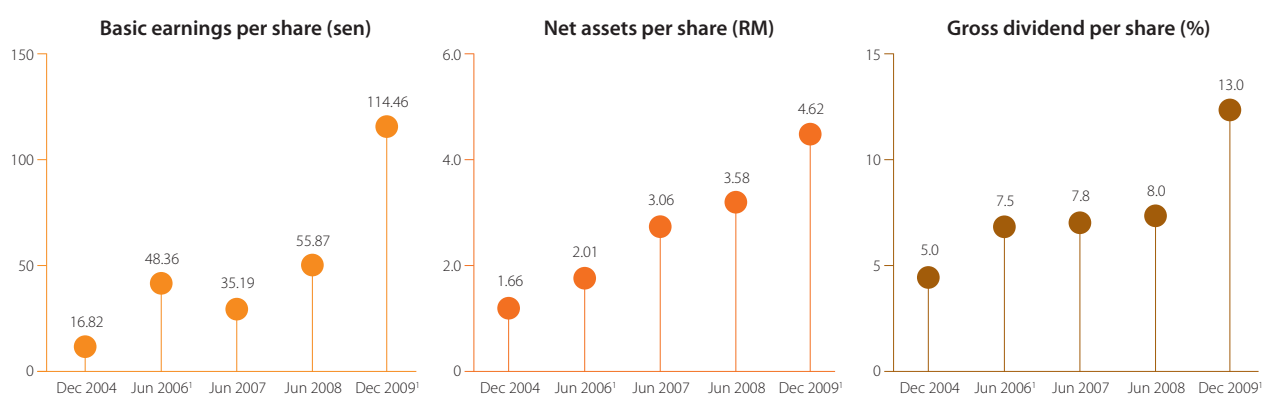




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# 5-Year Financial Highlights

	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2006 to 30.6.2007 RM'000 (restated)	1.1.2005 to 30.6.2006 RM'000 (restated)	1.1.2004 to 31.12.2004 RM'000 (restated)
<b>OPERATING RESULTS</b>					
Revenue	1,600,967	1,314,556	1,142,566	1,574,400	992,481
Profit before taxation	1,141,407	634,005	296,186	419,322	167,350
Taxation	275,527	175,685	69,104	81,874	42,640
Profit after taxation	865,880	458,320	227,082	337,448	124,710
Minority interest	(327,972)	(196,414)	(71,276)	(137,350)	(55,645)
<b>Net profit after minority interest for the financial period/year</b>	<b>537,908</b>	<b>261,906</b>	<b>155,806</b>	<b>200,098</b>	<b>69,065</b>
<b>KEY BALANCE SHEET DATA</b>					
Property, plant and equipment	890,904	384,891	1,188,050	951,169	882,229
Investment properties	3,207,367	429,469	1,334,370	611,388	485,091
Land held for property development	402,954	394,473	251,008	367,040	357,325
Investment in associates	27,648	15,533	12,420	12,993	12,502
Investment in jointly controlled entities	125,926	65,099	46,277	40,733	13,540
Other investments	16,895	-	-	-	-
Biological assets	532	763	437	-	-
Goodwill and deferred tax assets	45,210	36,166	31,958	41,965	26,033
Current assets	1,447,846	3,890,555	1,402,666	1,072,716	1,039,375
<b>Total Assets</b>	<b>6,165,282</b>	<b>5,216,949</b>	<b>4,267,186</b>	<b>3,098,004</b>	<b>2,816,095</b>
Current liabilities	1,339,434	1,287,540	1,086,358	788,872	763,800
Non-current borrowings	871,562	936,705	709,464	716,879	631,760
Other non-current liabilities	350,629	365,733	366,897	381,461	450,277
Deferred tax liabilities	435,020	249,113	151,421	21,849	4,488
<b>Total Liabilities</b>	<b>2,996,645</b>	<b>2,839,091</b>	<b>2,314,140</b>	<b>1,909,061</b>	<b>1,850,325</b>
<b>TOTAL NET ASSETS</b>	<b>3,168,637</b>	<b>2,377,858</b>	<b>1,953,046</b>	<b>1,188,943</b>	<b>965,770</b>
Minority interest	996,301	696,077	537,116	355,881	284,561
Shareholders' equity	2,172,336	1,681,781	1,415,930	833,062	681,209
<b>FINANCIAL RATIOS</b>					
Basic earnings per share (sen)	114.46	55.87	35.19	48.36	16.82
Net assets per share (RM)	4.62	3.58	3.06	2.01	1.66
Gross dividend per share (%)	13.00	8.00	7.80	7.50	5.00



<sup>1</sup> The financial performance for the financial periods 2006 and 2009 covers an 18-month period.



# Segmental Performance

39

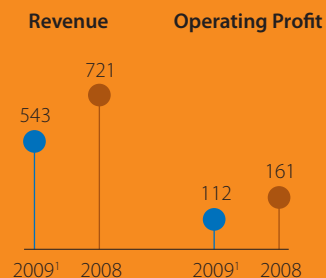
Sunway City Berhad Annual Report 2009

## Property Development



Revenue  
**RM543 million**

Operating  
Profit  
**RM112 million**

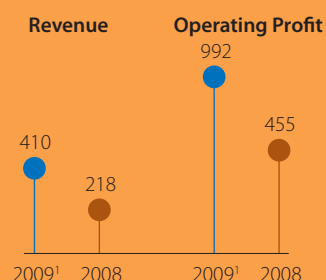


## Property Investment



Revenue  
**RM410 million**

Operating  
Profit  
**RM992 million**

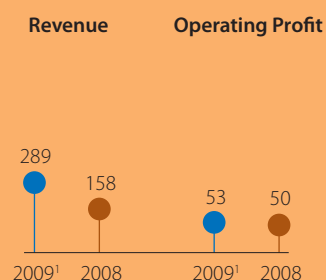


## Hospitality



Revenue  
**RM289 million**

Operating  
Profit  
**RM53 million**

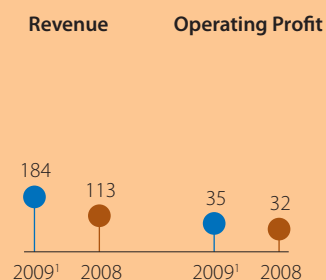


## Leisure



Revenue  
**RM184 million**

Operating  
Profit  
**RM35 million**

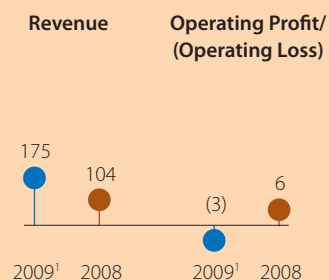


## Healthcare



Revenue  
**RM175 million**

Operating  
Loss  
**RM3 million**



The above financial results have included the non-core operating performance such as assets revaluation; depreciation due to reclassified non-current assets, previously classified as held for sale which have been reclassified to property, plant and equipment and investment properties and an upfront fee for banking facilities.

<sup>1</sup>The financial performance for the financial period ended 31 December 2009 covers an 18-month period.

# Chief Financial Officer's Review



Against the backdrop of the challenging global financial crisis, SunCity accomplished its best ever financial performance since its listing on Bursa Malaysia and posted a profit after taxation and minority interest ("PATMI") exceeding RM538 million for the 18-month financial period ended 31 December 2009<sup>1</sup> ("FPE2009"). This PATMI was achieved on the back of the Group's turnover of RM1.6 billion and the Group's profit before tax ("PBT") of RM1.1 billion.

The annualised PATMI of RM359 million reflects an astounding 37% growth compared with RM262 million for the financial year ended 30 June 2008

("FY2008"). This leap was driven by robust business performance as well as a revaluation gain from the Property Investment division.

The revaluation gain amounted to RM733 million at PBT level and RM330 million at PATMI level. The details of the gain are provided in the table below.

The annualised core PATMI of RM150 million was 16% higher than the core PATMI of RM129 million in FY2008. This improvement in the core PATMI is attributed to strong performance from the Property Investment division.

Investment Properties	Revalued amount (RM million)	Fair value gain at PBT level (RM million)	Fair value gain at PATMI level (RM million)
Sunway Pyramid	2,128 <sup>2</sup>	605	236
Sunway Carnival Shopping Mall	247	58	43
Others	845	70	51
Total	3,220	733	330

<sup>1</sup> SunCity changed its financial year end from 30 June to 31 December, resulting in an 18-month financial period for 2009. This move is aligned with the Group's strategic plan to expand its business globally.

<sup>2</sup> Excludes 3 pieces of land which SunCity proposed to dispose of to Sunway Pyramid Sdn Bhd, as per SunCity's announcement dated 7 April 2010.

## Group Financial Performance

	1.7.2008 to 31.12.2009 RM million	Annualised RM million	1.7.2007 to 30.6.2008 RM million	Increase/ (Decrease) %
Revenue	1,601	1,067	1,315	(19%)
Operating profit <sup>1</sup>	1,188	792	699	13%
PBT	1,141	761	634	20%
PATMI	538	359	262	37%
PBT Margin	71%	71%	48%	
PATMI Margin	34%	34%	20%	

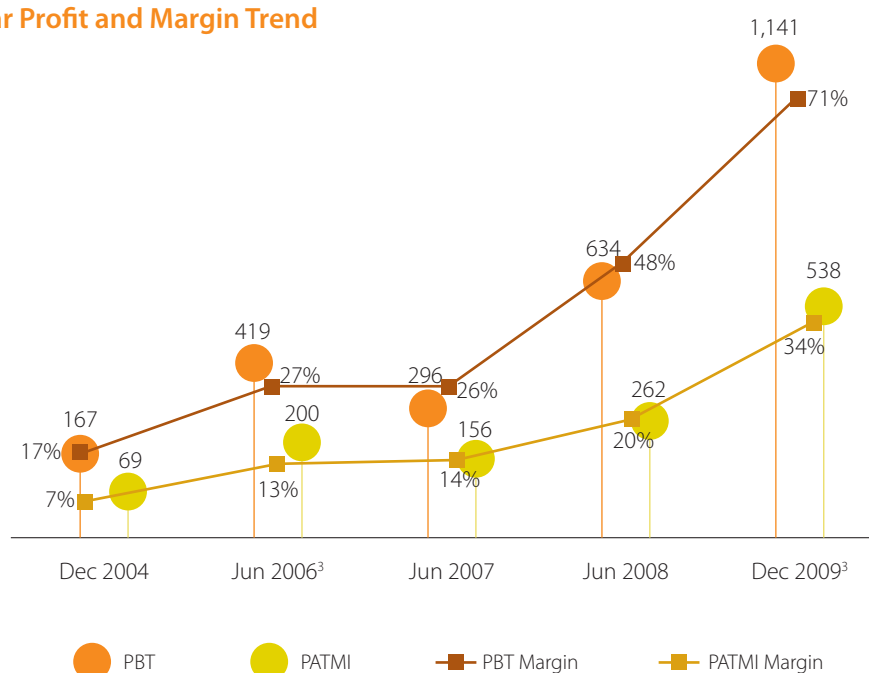
<sup>1</sup> Operating profit represents the earnings before interest and tax.

## Group Financial Performance Adjusted for Non-Core Operational Performance

Core Operations <sup>2</sup>	1.7.2008 to 31.12.2009 RM million	Annualised RM million	1.7.2007 to 30.6.2008 RM million	Increase/ (Decrease) %
Operating profit	476	317	376	(16%)
PBT	429	286	307	(7%)
PATMI	225	150	129	16%
PBT Margin	27%	27%	23%	
PATMI Margin	14%	14%	10%	

<sup>2</sup> SunCity's operational performance has been adjusted for assets revaluation; depreciation due to reclassified non-current assets, previously classified as held for sale which have been reclassified to property, plant and equipment and investment properties and an upfront fee for banking facilities.

## 5-Year Profit and Margin Trend



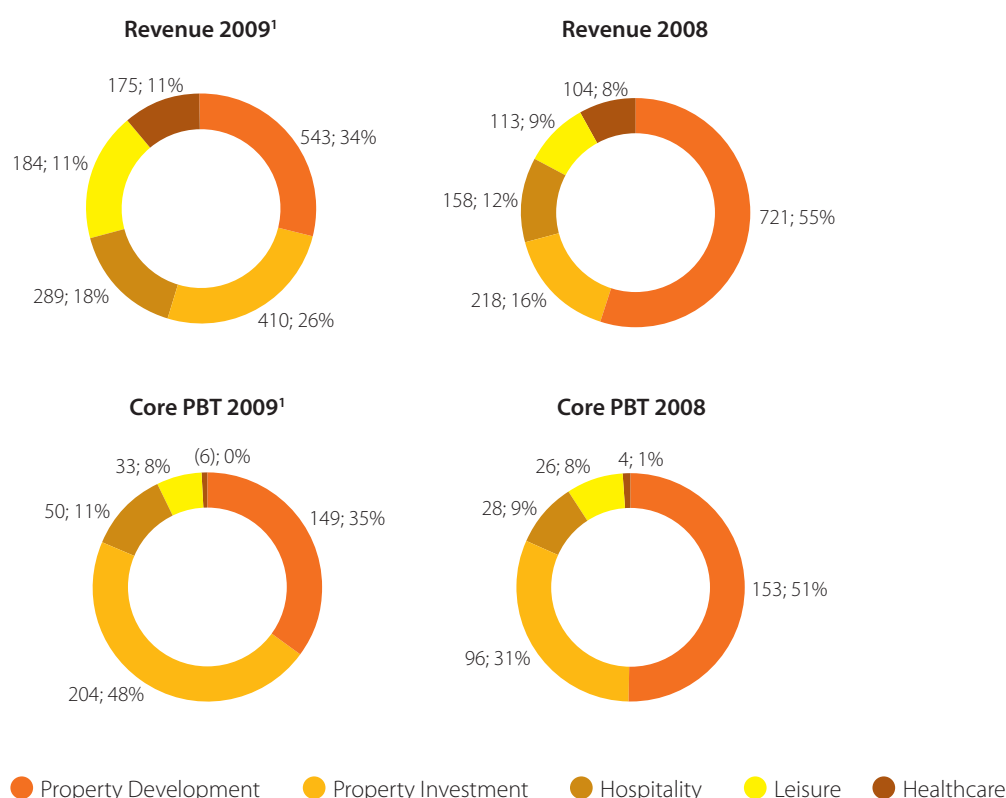
All values are in RM million unless otherwise stated.

<sup>3</sup> The financial performance for the financial periods 2006 and 2009 covers an 18-month period.



## Segmental Performance Review

Chief  
Financial  
Officer's  
Review



All values are in RM million unless otherwise stated.

<sup>1</sup> The financial performance for the FPE2009 covers an 18-month period.

### Property Development Division

The annualised core PBT of RM99 million declined by 35% as compared to RM153 million in FY2008. This is mainly due to lower property sales from the high-end properties despite partially mitigated by higher contribution from more profitable projects such as Sunway SPK Damansara.

SunCity's strategy of partnering with reputable builders paid off as there was a significant growth in the share of profit from associates and jointly controlled entities amounting to an annualised profit of RM39 million. This growth was mainly derived from the Sunway SPK Damansara project, a joint venture project with Syarikat Permodalan Kebangsaan Berhad. With its success, SunCity will continue to adopt this strategy in future projects.

### Property Investment Division

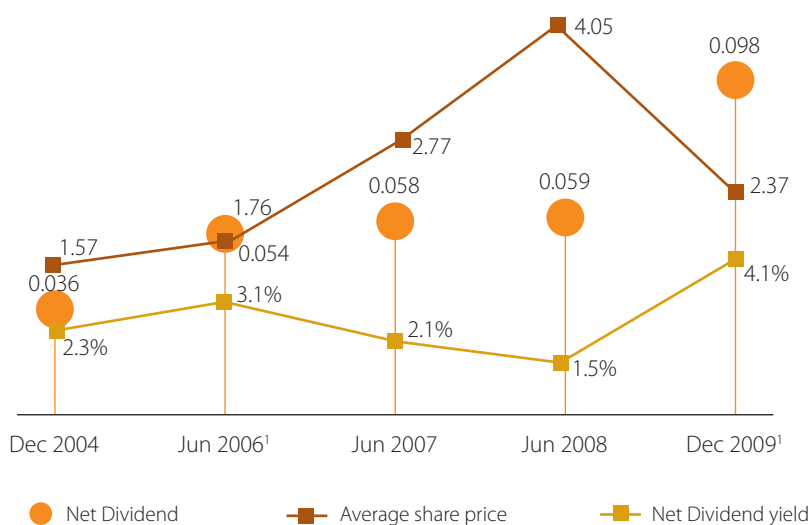
With an effective yield management and a solid portfolio of investment assets, the Property Investment division achieved a revaluation gain of RM733 million at PBT level despite the difficult economic conditions. This is testament of the management's skills and commitment to create and deliver value to shareholders.

Despite the dampened consumer sentiments and spending, the core PBT leaped from RM96 million in FY2008 to annualised core PBT of RM136 million in FPE2009, posting a significant growth of 42%. The growth is led by the expansion of strong-patronaged Sunway Pyramid, high occupancy rate in Sunway Carnival and the fully tenanted Sunway Tower 2 (formerly known as Wisma Denmark).

### Hospitality Division

This division was affected by the outbreak of A(H1N1) influenza virus in April 2009 and consequently, a slowdown in the number of hotel guest visits. Fortunately, towards the second half of 2009, consumer confidence improved and hotel guest visits started to pick up. Since then, the Hospitality division's performance has improved by registering a core PBT of RM50 million in FPE2009. The annualised core PBT of RM33 million has increased by 18% as compared with the core operating profit of RM28 million in FY2008.

## 5-Year Dividend and Average Share Price Trend



<sup>1</sup> The financial performance for the financial periods 2006 and 2009 covers an 18-month period.

	1.1.2004 to 31.12.2004 RM'000 (restated)	1.1.2005 to 30.6.2006 RM'000 (restated)	1.7.2006 to 30.6.2007 RM'000 (restated)	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000
Basic earnings per share (sen)	16.82	48.36	35.19	55.87	<b>114.46</b>
Net asset per share (RM)	1.66	2.01	3.06	3.58	<b>4.62</b>

### Leisure Division

This division posted a core PBT of RM33 million in FPE2009. The annualised core PBT of RM22 million showed a decline of 16% as compared with the core PBT of RM26 million in FY2008. The outbreak of A(H1N1) influenza virus which deterred corporates from holding family day events as planned and the economic crisis also reduced corporate budget for group functions.

### Healthcare Division

The Group has firmly believed in providing a safe and conducive environment for its patients and ensuring that the hospital continues to operate at an optimal level. Based on this business belief, the management of Sunway Medical Centre closed down several floors for construction during the expansion period. This led to an 18-month core loss before tax of RM6 million in FPE2009 with an annualised core loss before tax of RM4 million.

Following this expansion, the hospital has increased its capacity to 335 beds and 12 operating theaters. With this, the management is optimistic that the expansion will enable the division to improve its performance this year.

### Delivering Values to Shareholders

SunCity is focused in its commitment to create values for its shareholders despite the challenging economic environment. Basic earnings per share ("EPS") grew from 56 sen in FY2008 to 114 sen in FPE2009 with an annualised EPS of 76 sen. This represents a 5-year compounded average growth rate ("CAGR") of 35%. Consequently, the net assets per share rose to RM4.62 with a 5-year CAGR of 23%.

Based on this strong performance, SunCity rewarded its shareholders through distribution of dividends. For FPE2009, SunCity declared an interim dividend of 8 sen in the second quarter of FPE2009 which was subsequently paid on 20 November 2009 and also proposed a final dividend of 5 sen for the FPE2009. Together with the interim dividend, total gross dividend for FPE2009 will be 13 sen per share.



Sunway Platinum Success was recognised as one of the Top 10 Islamic Groundbreaker Deals in 2009.

#### Strategic and Innovative Fund Management

The RM132 million Islamic financing for Sunway Platinum Success (Monash University Sunway Campus) was awarded as one of the Top 10 Islamic Groundbreaker Deals in 2009. The deal was deemed groundbreaking as it extended beyond the traditional boundaries of a typical Musharakah Mutanaqisah partnership which is typically used for home financing. This echoes the Group's belief that innovation and creativity do not only lie in its products and services but in all aspects of its business operations as well.

As part of SunCity's strategic fund management exercise, the sources of equity and debt funding were actively reviewed in order to achieve its optimal cost of capital. Tapping into the lower interest rate environment, SunCity secured credit facilities of up to RM600 million to refinance the existing RM240 million commercial papers ("CP"), medium term notes ("MTN") and RM200 million worth of bank guarantee

bonds while providing an additional RM160 million revolving credit.

As a result of the initiatives, the Group secured new banking facilities at a more favourable rate of 4.8% per annum while retiring several existing borrowings with interest rates ranging from 5.75% to 7% per annum.

In August 2009, the Rating Agency Malaysia reaffirmed SunCity's short and long term ratings of P2 and A2 respectively for the CP/MTN. This is a continued endorsement of the Group's corporate position and sound financial performance.

With the effective fund management and vibrant business performance, SunCity's net gearing ratio reduced to 0.53 times of shareholders' fund. Such gearing ratio is considered healthy as the borrowings are backed by high-yielding assets.



<b>Summary of Cash Flow Statement</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
Cash from operations	<b>545,773</b>	479,551
Taxation	<b>(51,599)</b>	(79,619)
Net cash flow from operating activities	<b>494,174</b>	399,932
Net cash flow from investing activities	<b>(422,328)</b>	(594,340)
Net cash flow from financing activities	<b>(190,607)</b>	213,549
Net increase/(decrease) in cash and cash equivalents	<b>(118,761)</b>	19,141
Closing balance	<b>430,358</b>	543,928

### Sustaining its Net Cash Flow

SunCity generated net cash flow from operating activities of RM494 million in FPE2009. However, the repayment of term loan and CP/MTN amounting to approximately RM460 million largely contributed to a net decrease in net cash and cash equivalents during this financial period. As a result, SunCity's cash position stood at RM430 million as at 31 December 2009.

### Another Exciting Year Ahead

2010 marks the year whereby SunCity will set the wheels in motion in growing its Real Estate Investment Trust ("REIT") division. On 6 April 2010, SunCity submitted the application to the Securities Commission to seek its approval on the valuation of real estate assets to be acquired by Sunway REIT for the purpose of the proposed listing of Sunway REIT. Upon the successful listing of Sunway REIT, SunCity expects to use the proceeds to repay the Group's borrowings, acquire landbanks and accelerate future business expansion.



**Tan Poh Chan**  
Chief Financial Officer

30 April 2010

## Value Added Statement

	1.7.2008 to 31.12.2009 RM'000	(restated) 1.7.2007 to 30.6.2008 RM'000
<b>Value Added</b>		
Total turnover	1,600,967	1,314,556
Purchases of goods and services	(46,686)	(409,332)
<b>Value Added by the Group</b>	<b>1,554,281</b>	905,224
Share of profits of associates	8,094	3,223
Share of profits of jointly controlled entities	49,660	8,744
<b>Total Value Added</b>	<b>1,612,035</b>	917,191

Reconciliation:		
Profit for the year	537,908	261,906
Add: Depreciation and amortisation	82,514	34,576
Finance costs	104,780	76,632
Staff costs	283,334	171,978
Taxation	275,527	175,685
Minority interest	327,972	196,414
<b>Total Value Added</b>	<b>1,612,035</b>	917,191

### VALUE DISTRIBUTED

#### Employees

Salaries and other staff costs	283,334	171,978
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#### Government

Corporate taxation	275,527	175,685
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#### Providers of capital

Dividends	37,189	11,961
Finance costs	104,780	76,632
Minority interest	327,972	196,414

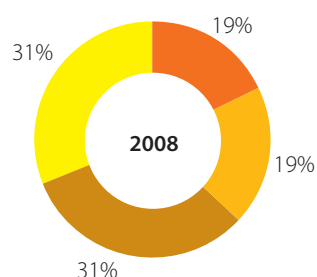
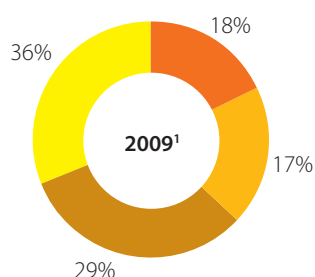
#### Reinvestment and growth

Depreciation and amortisation	82,514	34,576
Income retained by the Group	500,719	249,945

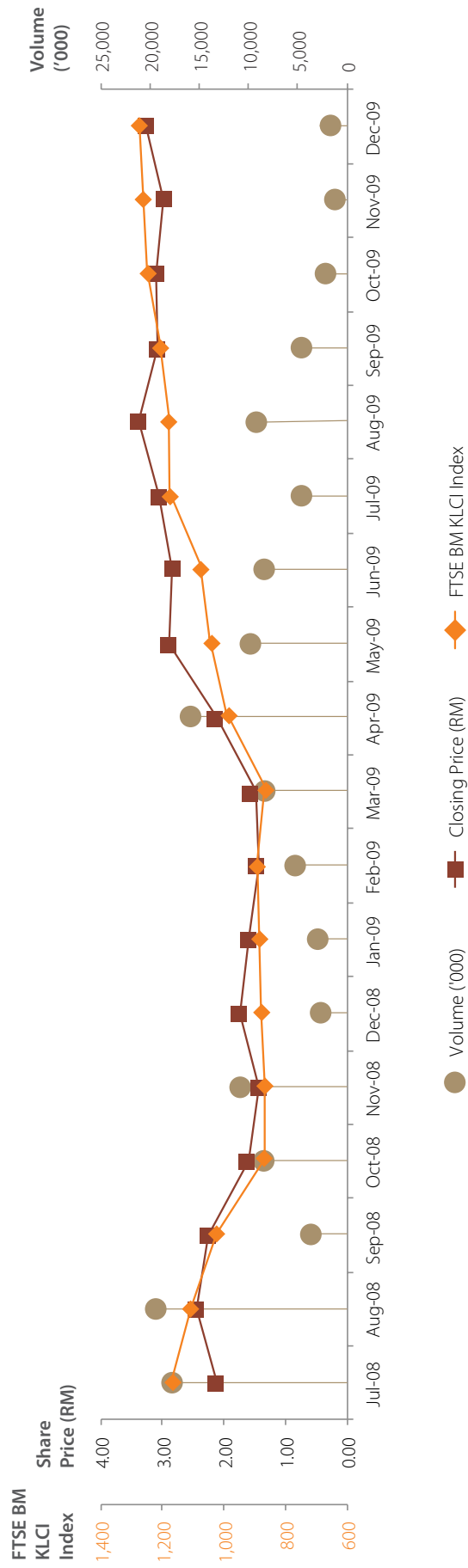
<b>Total Distributed</b>	<b>1,612,035</b>	917,191
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### VALUE DISTRIBUTED

- Employees
- Government
- Providers of capital
- Reinvestment and growth



<sup>1</sup> The financial performance for the financial period 2009 covers an 18-month period.



## Share Performance

Sunway City Berhad Annual Report 2009





Exemplary Leadership



Profile of Board of Directors	50
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Tan Sri Dato' Seri Dr Jeffrey Cheah, a visionary leader sharing his passion with management and business associates.



# Profile of Board of Directors



## Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO Executive Chairman, Non-Independent Executive Director Malaysian

Aged 65, is the visionary Founder and Executive Chairman of Sunway Group which encompasses 2 public listed companies namely Sunway Holdings Berhad ("Sunway Holdings") and SunCity.

An Accountant by profession and has been conferred 8 honorary Doctorates by leading universities worldwide. Is also among the 4 leading givers in the country who made Forbes Asia's Hero of Philanthropy 2009.

In 2008, was appointed Officer of the Order of Australia (AO) by the Prime Minister of Australia, Kevin Rudd. The AO is one of Australia's most prestigious and highly respected awards conferred to a non-citizen of Australia.

In 2007, the prestigious Monash University School of Medicine and Health Sciences was named after him in appreciation of his immense contribution to Monash University Sunway Campus.

In 2006, His Royal Highness Sultan of Selangor installed him as Foundation Chancellor of Sunway University College.

Was appointed Chairman of the Malaysia Crime Prevention Foundation's Selangor Chapter by the Minister of Unity, Culture, Arts & Heritage in 2008. Is also the Chairman and Co-founder of Asian Strategy & Leadership Institute (ASLI).

Is the Deputy President of National Kidney Foundation of Malaysia; Founding Trustee of Malaysian Liver Foundation since 1999; President of Malaysian Hakka Association 1997-2004; and the first non-Malay

Honorary Member of Kuala Lumpur Malay Chamber of Commerce since 2002.

In recognition of his contribution to education, in 1996, was appointed by the Minister of Education to the Higher Education Council of Malaysia. The Minister of Trade appointed him as Director of National Productivity Centre in 1990.

In 1996, the Prime Minister of Malaysia honoured him with the Chairmanship of Malaysian Industry-Government Group for High Technology (MIGHT) for Construction and Housing.

Was also an EXCO member of the Malaysian Tourism Action Council, an appointment by the Minister of Tourism Malaysia in 1996. The following year, the Minister of Finance appointed him a Council Member of the Financial Reporting Foundation.

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

Appointed to the Board of SunCity on 1 July 1992 and also serves as Chairman of the Executive Committee of the Board and Employees' Share Option Scheme Committee as well as a Member of the Remuneration Committee.

Current directorships in other public companies include Sunway Holdings and Sunway Medical Centre Berhad.

Attended 7 out of the 8 Board Meetings held in the financial period.





**Datuk Razman M Hashim**  
Deputy Executive Chairman,  
Non-Independent Executive Director  
Malaysian

Aged 71 and a Member of the Australian Institute of Bankers with more than 39 years of experience in the banking industry. Joined Standard Chartered Bank Malaysia Berhad in 1964 and served in various capacities including secondments to the Bank's branches in London, Europe, Hong Kong and Singapore. In 1994, 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, 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.

Appointed to the Board of SunCity on 28 March 1996 and also serves as a Member of the Employees' Share Option Scheme Committee as well as the alternate to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in the Executive Committee of the Board.

Current directorships in other public companies include Sunway Medical Centre Berhad, Sunway International Vacation Club Berhad, SILK Holdings Berhad, Ranhill Berhad, Multi-Purpose Holdings Berhad, MAA Holdings Berhad, Malaysian Assurance Alliance Berhad, MAA Takaful Berhad and Berjaya Land Berhad.

Attended all of the 8 Board Meetings held in the financial period.



**Ngian Siew Siong**  
Managing Director - Property  
Development, International  
Non-Independent Executive Director  
Malaysian

Aged 58 and attained a Bachelor of Science Degree (Honours) in Civil Engineering from University of Leeds, United Kingdom in 1976 with 29 years of experience in the property development industry.

Was the Regional Operations Manager of MBf Holdings Bhd before joining SunCity. Joined SunCity in 1985 as Project Manager and held various senior posts before being promoted to Executive Director in January 1996. Subsequently promoted to Deputy Managing Director and Managing Director – Property Development on 1 October 2001 and 26 August 2004 respectively. Was redesignated as Managing Director – Property Development, International on 19 March 2010.

Appointed to the Board of SunCity on 29 December 1994 and also serves as Chairman of the Risk Management Committee as well as a Member of the Executive Committee of the Board and Employees' Share Option Scheme Committee.

Has no directorships in other public companies.

Attended all of the 8 Board Meetings held in the financial period.



### **Ngeow Voon Yean**

**Managing Director - Property Investment  
Non-Independent Executive Director  
Malaysian**

Aged 57 and holds a Bachelor of Commerce Degree majoring in Business Studies and Economics from University of Auckland, New Zealand. Is a Council Member of the Malaysian Association of Hotel Owners ("MAHO") and a Member of the International Council of Shopping Centres.

Has 29 years of working experience in property development and investment, and management industry. Was the Founder President of the Shopping and Highrise Buildings Association in both Malaysia and Singapore. Has wide experience in the development and management of mixed-use developments. Began his career with Landmarks Holdings Bhd, the developer owner of Sungei Wang Plaza, Regent Hotel and Metroplex Holdings Sdn Bhd, the developer of The Mall. Subsequently moved to Singapore to join Marina Centre Holdings Pte Ltd, the developer and manager of Marina Square, a mixed-use waterfront development comprising 3 international-class hotels, shopping mall and offices in Singapore. Later joined Suntec City Development Pte Ltd as part of the pioneering team in the development of one of Singapore's largest private mixed-use projects comprising convention, exhibition, shopping and offices. Currently manages the investment portfolio which includes retail, commercial, hospitality, leisure and other asset management components of SunCity.

Appointed to the Board of SunCity on 21 April 1997 and also serves as a Member of the Executive Committee of the Board, Risk Management Committee and Employees' Share Option Scheme Committee.

Current directorships in other public companies include Sunway Medical Centre Berhad and Sunway International Vacation Club Berhad.

Attended all of the 8 Board Meetings held in the financial period.



### **Ho Hon Sang**

**Managing Director - Property  
Development, Malaysia  
Non-Independent Executive Director  
Malaysian**

Aged 49 and holds a Bachelor of Engineering (Honours) from University of Malaya, Malaysia with over 14 years of experience in the property development industry.

Started his professional career as an engineer with Esa Jurutera Perunding Sdn Bhd and was involved in the North South Highway project. Joined United Engineers Malaysia Berhad Group of Companies from 1988 until 1994 before joining SunCity as an Assistant General Manager. Was then appointed as the Unit Profit Centre Manager and also a Board Member of Sunway Damansara Sdn Bhd, a 60% owned subsidiary of SunCity. Subsequently promoted to Chief Operating Officer – Property Development in 2005. Has been a Member of the Institution of Engineers, Malaysia since 1988 and the Board of Engineers, Malaysia since 1989.

Appointed to the Board of SunCity on 19 March 2010.

Has no directorships in other public companies.

Did not attend any Board Meeting held in the financial period as he was appointed after the financial period.



### **Lim Swe Guan**

**Non-Independent Non-Executive Director  
Singaporean**

Aged 56 and holds a Bachelor of Science (Estate Management) Second Class Honours Degree from University of Singapore and a Master of Business Administration from Darden School of Business, University of Virginia, United States of America.

Currently is the Managing Director of GIC Real Estate Pte Ltd, the real estate investment arm of Government of Singapore Investment Corporation Pte Ltd. Also a Chartered Financial Analyst ("CFA") and a Member of the CFA Institute. Among his achievements were the gold medals won from the Singapore Institute of Valuers and Singapore Institute of Surveyors. Former Director of Jones Lang Wootton Australia from 1989 to 1995 and a Portfolio Manager, Property Division in Suncorp Investment Management before he joined GIC Real Estate Pte Ltd in 1997.

Appointed to the Board of SunCity on 6 March 2002 and also serves as a Member of the Executive Committee of the Board.

Has no directorships in other public companies.

Attended all of the 8 Board Meetings held in the financial period.



### **Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim**

**Senior Independent Non-Executive Director  
Malaysian**

Aged 74, a Civil Engineer by profession and graduated from Brighton Technical College, United Kingdom with a Diploma in Civil Engineering in 1959 and a Master in Management from Asian Institute of Management, Manila in 1976. A Professional Engineer registered with the Board of Engineers, Malaysia since 1974; Fellow of the Institution of Engineers, Malaysia since 1979; Chartered Engineer registered with the Engineering Council, United Kingdom since 1989; Fellow of the Institution of Civil Engineers, United Kingdom since 1989; Fellow of the Institution of Highways and Transportation, United Kingdom since 1990 and a Member of the Association of Consulting Engineers, Malaysia since 1990. Also a Member of the Malaysian Institute of Management since 1976. Was conferred a fellowship by the Malaysian Institute of Directors in July 2007.

Started his career as a Civil Engineer with the Public Works Department, Malaysia in 1959 and after holding various posts at District, State and Branch levels, was appointed as Director-General of Public Works, Malaysia in 1985. Retired from the Government in 1990.

Appointed to the Board of SunCity on 1 November 1990 and also serves as Chairman of the Audit, Nomination and Remuneration Committees.

Current directorships in other public companies include Sunway International Vacation Club Berhad, Gamuda Berhad, Sapura Technology Berhad, Hume Industries (M) Berhad, APP Industries Berhad, Phillip Mutual Berhad and Universal Trustee (Malaysia) Berhad.

Attended all of the 8 Board Meetings held in the financial period.





### Teo Tong How

Independent Non-Executive Director  
Singaporean

Aged 67 and holds a Bachelor of Architecture (Honours) Degree from University of Melbourne, Australia. A Member of SIA, RIBA, FRAIA and APAM (Architectural Bodies), Associate Member of SIP and APA (Planning Bodies) and a Registered Property Manager of the International Real Estate Institute. Presently is the Chairman and Managing Director of Hong How Group of Companies and Director of Tong Eng Group. The businesses of these companies range from property development and investment holding in sectors such as commercial, residential, industrial and hospitality in Singapore, Malaysia, China, Australia, UK and Sweden.

Is a Director of Popular Land Pte Ltd, a subsidiary of Popular Holdings Limited which is a public listed company in Singapore. In August 2005, was appointed as a Member of National Heritage Board, Chairman of Singapore Philatelic Museum, Director of Preservation Monuments Board and Singapore Dance Theatre, Vice-Chairman of Thong Chai Medical Institution and also sits on the Board of Land Transport Authority ("LTA")'s Architectural Design Panel on MRT Stations and a Member of Arts in Transit by LTA.

Appointed to the Board of SunCity on 18 April 2001 and also serves as a Member of the Audit, Nomination and Remuneration Committees.

Has no directorships in other public companies in Malaysia.

Attended 7 out of the 8 Board Meetings held in the financial period.



### Tan Siak Tee

Independent Non-Executive Director  
Malaysian

Aged 69 and holds a Bachelor of Commerce Degree from University of New South Wales, Australia. An Associate Member of the Institute of Chartered Accountants, Australia, Associate Member of the Institute of Chartered Secretaries & Administrators and a Member of the Malaysian Institute of Certified Public Accountants.

Started his career as an Auditor in Coopers & Lybrand, Sydney and later seconded to Coopers & Lybrand, Kuala Lumpur. Has extensive experience in the banking industry. Former Chief Internal Auditor for Malaysian operations in Overseas Chinese Banking Corporation and Chung Khiaw Bank for the period from 1969 to 1971 and 1971 to 1973 respectively. Joined Lee Wah Bank Ltd in 1973 as Manager of Malaysia Central Office and was promoted to Director and Chief Executive Officer for Malaysian operations in 1975. Former Director and Chief Executive Officer in United Overseas Bank (M) Berhad for the period from 1994 to 1997 after Lee Wah Bank Malaysia operations were incorporated in Malaysia in 1994. Also former Director and Adviser in Asia Commercial Finance Berhad from 1997 to 1999. In April 2000, joined Bank of China (Malaysia) Berhad as an Independent Non-Executive Director.

Appointed to the Board of SunCity on 26 November 2001 and also serves as a Member of the Audit and Nomination Committees.

Current directorships in other public companies include Bank of China (Malaysia) Berhad and ACB Resources Berhad (formerly known as Amsteel Corporation Berhad).

Attended all of the 8 Board Meetings held in the financial period.



**Datin Paduka Low Siew Moi**  
Independent Non-Executive Director  
Malaysian

Aged 60 and holds a Bachelor of Economics (Accounting) and a Diploma in Accountancy (Post Graduate) from University of Malaya, Malaysia. An accountant by profession and a Member of the Malaysian Institute of Accountants.

Has more than 36 years of experience in the areas of accounting, finance and administration. Started her working career with Perbadanan Kemajuan Negeri Selangor ("PKNS") in 1973 and had since held various managerial positions. In 1990, was seconded to work with the private sector, IGB and IJM Group for 4 years. Was formerly the Deputy General Manager (Corporate Affairs) of PKNS and was acting as the General Manager of PKNS from November 2008 until March 2009. Currently is the Advisor under Selangor Menteri Besar Incorporated.

Appointed to the Board of SunCity on 3 December 1999.

Has no directorships in other public companies.

Attended 7 out of the 8 Board Meetings held in the financial period.

#### NOTES:

##### 1. Family Relationship with Director and/or Major Shareholder

None of the Directors has any family relationship with any director and/or major shareholder of SunCity.

##### 2. Conflict of Interest

- (a) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and Major Shareholder of Sunway Holdings. He has deemed interest in SunwayMas Sdn Bhd and its subsidiaries via Sunway Holdings, whose principal activity is similar to SunCity Group which includes property development.
- (b) Datuk Razman M Hashim is a Director of Berjaya Land Berhad and its wholly-owned subsidiary, Selat Makmur Sdn Bhd, whose principal activities are similar to SunCity Group which include property development and investment holding. Datuk Razman M Hashim is also a Director of Absolute Prestige Sdn Bhd, a subsidiary of Berjaya Land Berhad, whose principal activities are similar to SunCity Group which include property investment and hotel business.
- (c) Lim Swe Guan is a Director of the following companies, whose principal activity is similar to SunCity Group which includes property development:-
  - (i) RB Land Sdn Bhd, which is a subsidiary of RB Land Holdings Berhad. RB Land Holdings Berhad is a public listed company in Malaysia.
  - (ii) Fabulous Range Sdn Bhd, which is a joint venture between Reco Sungei Long (M) Sdn Bhd and Lum Chang Holdings Limited. Lum Chang Holdings Limited is a public listed company in Singapore.
- (d) Datin Paduka Low Siew Moi is a Director of Bangi Hotel Sdn Bhd, whose principal activity is similar to SunCity Group which includes hotel business.

Save as disclosed, none of the other Directors has any conflict of interest with SunCity Group.

##### 3. Conviction for Offences

None of the Directors has been convicted for offences within the past 10 years other than traffic offences, if any.

##### 4. Attendance of Board Meetings

The attendance of the Directors at Board of Directors' Meetings is disclosed in the Corporate Governance Statement.

## Profile Of Management Team





Profile Of  
Management  
Team

From left to right:  
Ho Hon Sang, Sarena Cheah Yean Tih, Ngeow Voon Yean, Tan Poh Chan,  
Ngian Siew Siong, Hanley Chew, Ong Pang Yen, Cheah Wing Choong, Ong Ghee Bin,  
Dr Chong Su-Lin, Aaron Soo Boon Choon, Denis Gruhier, Chan Hoi Choy

## Corporate Office

### Tan Poh Chan

Chief Financial Officer

Sunway City Berhad

Bachelor of Accounting (Honours),  
University of Malaya;  
Certified Accountant, MIA

Ms Tan Poh Chan started her career at Ernst & Young in 1984. She has more than 20 years of financial management expertise in various industries. After 5 years of working experience in audit, taxation and financial advisory, she joined SunCity as an accountant. During her tenure of service, she played a key role in the expansion of the Group from property development to property investment, leisure and hospitality, as well as the listing of SunCity on the Main Market of Bursa Malaysia (formerly known as Main Board of Kuala Lumpur Stock Exchange) in 1996. In 1999, she was promoted to General Manager - Finance and transferred to Sunway Construction Berhad which was taken private 5 years later.

She was the Chief Financial Officer of the construction division of Sunway Holdings Berhad before assuming her current role effective from 1 April 2008. She is a member of the Malaysian Institute of Accountants (MIA).

### Sarena Cheah Yean Tih

Director of Strategic &

Corporate Development

Sunway City Berhad

Bachelor of Commerce  
(Accounting & Finance),  
University of Western Australia;  
Masters of Business Administration  
(MBA), Melbourne Business School

Ms Sarena Cheah has been with the Sunway Group since 1995, starting her career in the Corporate Finance and Group Internal Audit divisions. In 2000, she left to pursue her MBA at Melbourne Business School, and upon her return, joined the education and healthcare divisions as Business Development Manager. In year 2003, she rejoined the Corporate Finance division to lead the asset-backed securitisation exercise for SunCity and in 2006, became the Sales & Marketing General Manager in the Property Development division. She assumed her current position in 2009.



## Ong Pang Yen

Senior General Manager –  
International Division  
Sunway City Berhad

Bachelor of Engineering (Honours)  
in Civil Engineering,  
University of Malaya;  
LLB (Honours), University of London

A graduate in Civil Engineering from University of Malaya, Mr Ong Pang Yen has served in the Public Works Department for 8 years before joining SunCity. Starting his career in the Group as a Resident Engineer in the Seberang Jaya Town Centre, he was soon actively involved in the Group's pioneer overseas investment projects in Cambodia, Zimbabwe, South Africa and Australia. A qualified professional engineer, Mr Ong also has a Law Degree from University of London.

## Ong Ghee Bin

Senior General Manager  
Sunway City Berhad

Bachelor of Engineering (Honours)  
in Civil Engineering,  
University of Malaya;  
Certified Diploma in  
Accounting and Finance

Mr Ong Ghee Bin spent 4 years with a civil & structural consultant engineering firm prior to joining SunCity in 1989. Some of the projects he managed were the Sunway Integrated Resort City development, Sunway City Ipoh, Sunway Semenyih, Sunway Cheras, Menara Sunway, Sunway University College, Sunway Pyramid, Sunway South Quay, Monash University Sunway Campus and Sunway Pyramid Expansion. He is currently overseeing all the property development projects in Klang Valley and also the investment projects undertaken by the Group.





## Property Investment Division

### Cheah Wing Choong

Chief Operating Officer -  
Property Investment Division  
Sunway City Berhad

Bachelor of Science (Estate Management)  
Heriot-Watt University, Scotland;  
Masters of Business Administration (MBA),  
University of Bath, England;  
Chartered Surveyor

Mr Cheah Wing Choong is a Chartered Surveyor with the Royal Institution of Chartered Surveyors, United Kingdom and a Fellow of the Institution of Surveyors, Malaysia. He obtained his Bachelor of Science (Estate Management) at the Heriot-Watt University, Scotland and Masters in Business Administration at the University of Bath, England. He was in property consultancy with Rahim & Co Chartered Surveyors for 8 years; Peat Marwick Consultants for 2 years before joining Tan & Tan Developments/IGB Group for 15 years as the Senior General Manager, Asset Management. He then joined Tradewinds Corporation Berhad as the Chief Operating Officer before assuming his current role in SunCity in 2009. He is currently the Deputy Secretary-General of the Real Estate and Housing Developers Association ("REHDA") as well as the Deputy Chairman of REHDA, Selangor Branch.



## Property Investment

### Chan Hoi Choy

Chief Executive Officer  
Sunway Pyramid Sdn Bhd

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

Mr Chan Hoi Choy has with him more than 25 years of experience in the commercial retail industry. He has held several senior positions in Berjaya Starcity (presently known as Times Square), Berjaya Megamall and Sungei Wang Plaza before joining SunCity. He has been an office-bearer for the last 15 years with the Malaysian Association for Shopping and Highrise Complex Management ("PPK"). He is currently the Vice-President for PPK.



## Leisure

### Aaron Soo Boon Choon

Chief Executive Officer  
Sunway Lagoon Sdn Bhd  
Masters of Business Administration (MBA) from MIM - University of Bath, United Kingdom

Mr Aaron Soo first joined Sunway Group in 1996 and was the General Manager of Sunway Hotel, Shenzhen, China in 1997 till 1998. He joined SunCity in 2002 to manage Sunway Hotels in Georgetown and Seberang Jaya, Penang, and had done tremendously well in improving the performance of the hotels. On 1 November 2005, he was promoted to Senior General Manager of the Leisure and Hospitality divisions in SunCity. Subsequently on 1 March 2006, he was promoted to Chief Executive Officer of Sunway Lagoon Sdn Bhd. He now oversees Sunway Lagoon and Lost World of Tambun, Ipoh.



## Hospitality

### Denis Gruhier

Group General Manager  
Sunway Resort Hotel & Spa  
Bachelor of Business Management

Mr Denis Gruhier, a French national, brings with him over 35 years of hospitality experience. He has held regional roles at dynamic hotel chains in Europe, North and South America, the Caribbean as well as Asia. As Group General Manager, he oversees the flagship of Sunway Hotels & Resorts - the 1,234-room multiple hotel development in Sunway Integrated Resort City. A multilingual who is fluent in French, English, Spanish and German, he holds several professional degrees and certifications in addition to a Bachelor Degree in Business Management.



## Hospitality

### Hanley Chew

Chief Executive Officer  
Sunway International  
Hotels & Resorts  
Degree in Company Secretarial  
Practices and Financial Accounting,  
Institute of Chartered Secretaries &  
Administrators (ICSA), London

Mr Hanley Chew brings vast hotel and travel industry experience to SunCity, having spent 20 years in a number of key positions with international and local hotel chains. He last held the position of Vice-President - Business Development, a role he took on in 2002 when he joined SunCity. He is responsible for the management of all hotels within the Sunway and Allson brands. He also has a key role in the development of new management contracts within the region. All global functions, regional heads and hotel general managers of the respective brands report to him.



## Healthcare

### Dr Chong Su-Lin

Chief Executive Officer  
Sunway Medical Centre Berhad  
MBBS London;  
Masters of Business Administration  
(MBA), London

Dr Chong Su-Lin was a medical practitioner for 6 years at the National Health Service (NHS) UK before becoming a Management Consultant at Cambridge Pharmacy consultancy in England. She spent 4 years in Subang Medical Centre (SJMC) as the Director of Ancillary Services and 2 years as Project Director for the International Medical University (IMU). Dr Chong was the ex-Honorary Secretary to the Association of Private Hospitals of Malaysia (APHM). She currently sits on the APHM Board.

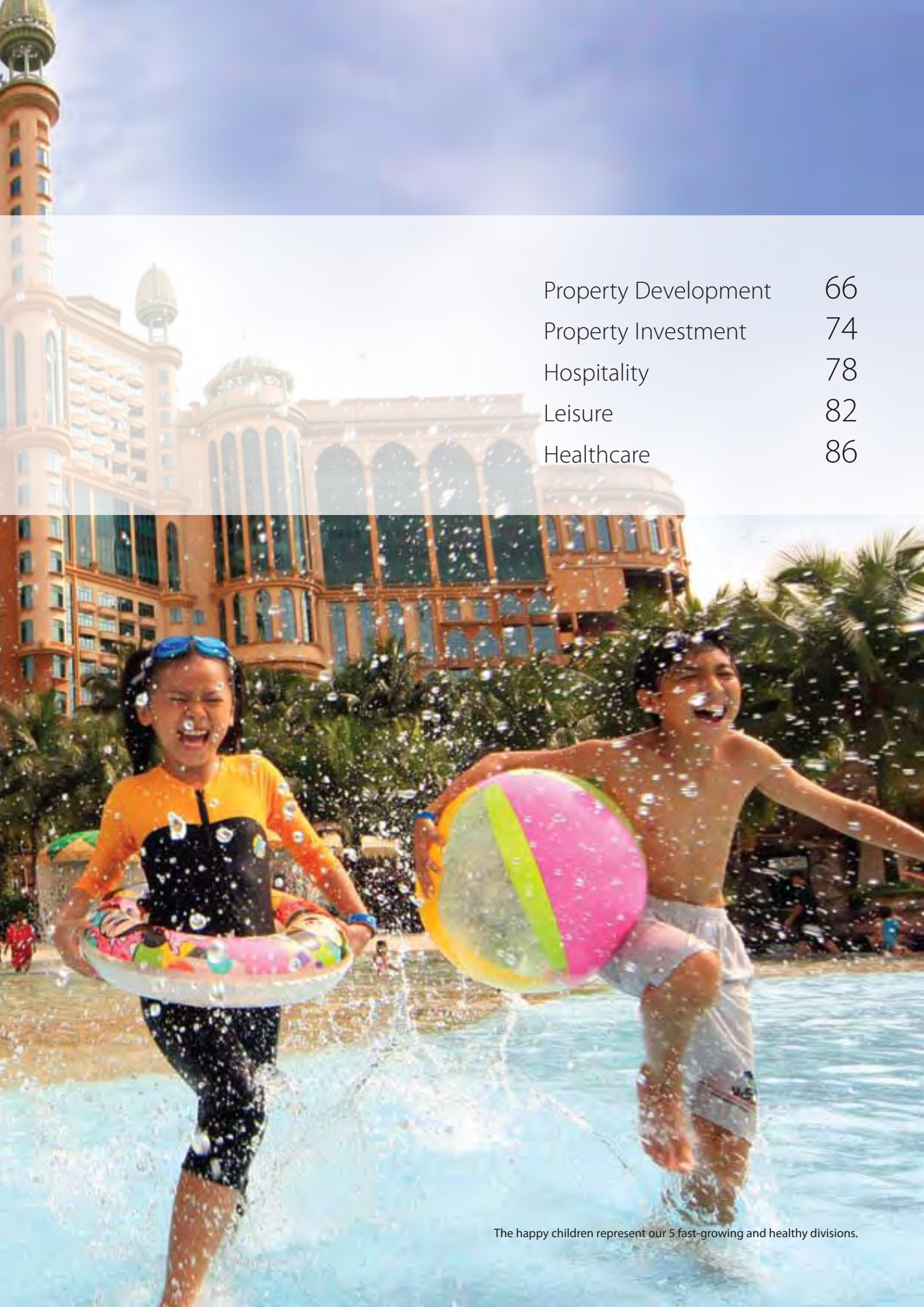




# Key Business Segments







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The happy children represent our 5 fast-growing and healthy divisions.

## Key Business Segments



Property  
Development



Property  
Investment





Leisure



Healthcare



Hospitality



## Property Development

Turnover  
RM543 million  
Operating Profit  
RM112 million  
Launches  
RM157 million  
Sales  
RM550 million



An aerial view of Sunway South Quay, the lakeside metropolis.

### Introduction

For the period under review, SunCity continued to implement innovative strategies to reinforce its position as a premier regional and international property developer. This is greatly aligned with the Group's mission to achieve greater heights of excellence by introducing a wide range of quality products and services to its valued customers.

The Group is also strongly driven by its goal to make livability a top priority by emphasising the need for safety, health, education, mobility and recreation in its residential property development projects. By prioritising livability and the earlier mentioned Lifestyles of Health and Sustainability ("LOHAS") philosophy which promotes a healthy and sustainable lifestyle, this will create a well-balanced and holistic quality of life for families. As a result of this, the Group's projects in Klang Valley have enjoyed positive response from homebuyers seeking a safe and comfortable sanctuary.

SunCity's business model of having multiple and strategically located developments ranging from middle, middle-upper to high-end properties has also enabled its properties to enjoy good value appreciation. As at 30 April 2010, SunCity has an undeveloped landbank of 1,458 acres with an estimated gross development value ("GDV") of RM12.7 billion.

During the period under review, the Group left no stone unturned in its quest to deliver quality properties as evidenced by exclusive retail and commercial projects that include Sunway Vivaldi, Sunway Palazzo, Villa Manja @ Sunway SPK Damansara and Sunway Surian Avenue.

### Change in Management

SunCity has appointed Mr Ho Hon Sang as its new Managing Director - Property Development, Malaysia effective 19 March 2010 while Mr Ngian Siew Siong, who was formerly the Managing Director - Property Development of SunCity will now be the Managing Director - Property Development, International of SunCity. The change in management reflects the Group's focus to ensure that both the international and local property portfolios achieve positive and sustained growth.

Establishing a presence overseas has also become an increasingly important agenda as SunCity aspires to transform from a local property developer to an integrated global real estate player.

On this matter, SunCity has expanded its reach in 2 of the world's most populous countries, namely China and India with new property development projects.



The modern reception of Sunway Guanghao in Jiangyin, China.

## Key Developments

### International

SunCity has signed a Collaboration Agreement in April 2010 to participate in Tianjin Eco-City with the master developer, Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd ("SSTEC"). This follows the Memorandum of Understanding that was signed earlier in October 2009.

This project will have a GDV of RM5 billion and is expected to be developed over a period of 5 years. SunCity will also introduce the LOHAS philosophy into its 102-acre development in the 7,413-acre Tianjin Eco-City, making it the first of its kind project in China. The key idea is to promote a thriving city which is socially harmonious, environmentally-friendly and resource efficient. Most importantly, it will be a model for sustainable development.

The successful rehabilitation of the desolate 800-acre mining site into a vibrant award-winning integrated resort city has won SunCity many local and international accolades. It is this common commitment to sustainable development that first attracted the master developer of Tianjin Eco-City, SSTEC to explore potential collaborations with SunCity.

Tianjin Eco-City is a Government-to-Government mixed development project between China and Singapore. SSTEC is a 50:50 joint venture between a Singapore consortium led by Keppel Group and a Chinese consortium led by Tianjin TEDA Investment Holding Co. Ltd. Tianjin Eco-City will be a modern township for approximately 350,000 residents.

In addition, SunCity will be developing its very first property in Jiangyin, China, comprising medium to high-end condominiums and specialty shops.

The 17-acre Sunway Guanghao project has a GDV of RM492 million. Located within the central business district of the Jiangyin New Harbour City, a new Jiangyin Government administration centre, Sunway Guanghao will have access to all urban amenities once the business district is fully completed.

SunCity had also embarked on a joint venture development in Hyderabad, India with MAK Projects Private Limited ("MAK"). MAK is a reputable property developer with flagship developments that include the Banyan Tree Retreat, a world-class gated and guarded community in Hyderabad.

This project will consist of both low-rise and condominiums units that would be completed in several phases over the next 3 to 5 years. It is strategically located in the growing southern corridor of Hyderabad, India and within close proximity of the Rajiv Gandhi International Airport and Hardware Park.

Apart from this project, the Group also embarked on a partnership with Opus Developers & Builders Private Limited in India to develop Sunway Opus Grand Residency, an exclusive 30-acre development set amidst a lush landscape in the suburb of Ameenpur, Hyderabad.

Similar to the economic and population growth that China is experiencing, India too will present the Group with another lucrative opportunity to tap into the promising international property market.



## Malaysia

On the local front, the Group had introduced the Triple Z Series in April 2009 to attract property buyers and boost sales. One unique feature of the ownership-made-easy scheme is that purchasers do not need to service the principal amount of the loan for up to 60 months from the first loan drawdown, thus resulting in potential savings.

Under the scheme, purchasers are able to pay 5% to 10% as downpayment. They also enjoy zero-interest payment during construction and zero payment for up to 24 months after completion. This package was made available for the Group's high-end developments such as BayRocks Garden Waterfront Villas at Sunway South Quay, Sunway Vivaldi at Mont Kiara and Villa Manja @ Sunway SPK Damansara.

Sunway Vivaldi, which is situated on 7.7 acres of freehold land in Mont Kiara is one of the Group's key projects and a soft launch was organised in June 2009 at the new sales office. This low-density development comprises 228 condominium units and offers city dwellers the opportunity to enjoy the

luxury of resort-style living. It is also fully equipped with modern facilities to provide homebuyers with unrivalled convenience and comfort.

Additionally, Villa Manja @ Sunway SPK Damansara, located in Sunway SPK Damansara consists of freehold semi-detached houses with a 3,948 square feet built-up area. The development is meticulously designed within a guarded environment with a central recreation park. It presents innovative designs and environmentally friendly facilities such as energy-efficient and eco-friendly air conditioners as well as a solar water-heater system. Villa Manja @ Sunway SPK Damansara is set to be handed over soon to purchasers.

In Penang, Sunway Merica had its official launch in December 2009 at its sales office in Bayan Baru. Sunway Merica is a freehold landed development located in Sungai Ara, Penang and consists of 2 ½-storey link houses. It features an open concept design that welcomes natural lighting and cool ventilation.



Sunway Vivaldi's double volume living hall, a symphony of luxury.



Luxurious living in Sunway South Quay.

### Awards and Accolades

The Singapore's Building and Construction Authority ("BCA") Green Mark was introduced in January 2005 as a key strategic programme to raise awareness of sustainable and environmentally friendly buildings. The benefits of a Green Mark building include cost savings from efficient use of energy and water, leading to lower operation and maintenance costs.

The Group's efforts in going green were richly rewarded as Sunway Palazzo was awarded the prestigious Gold Award (High-Rise Residential Development – Provisional) in BCA Green Mark Scheme (Green Building Design).

Sunway Palazzo is the first high-rise residential development in Malaysia to receive the coveted award which is based on 5 key criteria: energy efficiency; water efficiency; site/project development and management; good indoor environmental quality and environmental protection and innovation.

Sunway Challis Damansara, an exclusive garden townhouse development in Sunway Damansara also became the first landed residential development in the country to receive a BCA Green Mark certification.

Sunway Vivaldi and Nautica Lake Suites at Sunway South Quay also received the same BCA Green Mark certification.

Supporting the livability concept, the Group is widely regarded as a pioneer in green initiatives as the Group had already embarked on this concept long before it was practised within the industry.

With the distinction of having green certified developments, SunCity pledges that it will continue to push the mark by incorporating more innovative green features in its projects to promote a sustainable lifestyle. This will help ensure that each property development project will enjoy greater appreciation in value.

Sunway Palazzo was also selected as a winner in the category of Best High-Rise Residential Development in Malaysia in the 2009 Asia Pacific Property Awards, sponsored by CNBC Television. Receiving this award was another landmark achievement and reflects the Group's expertise in developing a world-class property development.





Sunway Vivaldi's eco-deck with an Olympic length swimming pool.



### Responsible Developer

Staying true to its commitment of being a responsible developer, the Group through the formation of its Joint Management Bodies ("JMB") continued to collaborate with purchasers to jointly manage buildings and common properties.

The JMB Committee also held numerous meetings to encourage further interaction and engagement between the Group and purchasers to improve the management of buildings. As a leading community master developer, the Group will create a safe and comfortable environment for its residents.

### Future Plans

The Group will remain focused in its plans to develop its residential, retail, commercial and leisure properties both on the local and international front. With the Group's wealth of experience and proven track record, the Group is well on its way to attract more property buyers with its string of groundbreaking projects in the future.

For Malaysia, launches in the pipeline include Sunway Velocity, an integrated development comprising service

apartments, a lifestyle shopping mall and outdoor retail spaces located in the south of Kuala Lumpur city centre. The Group also sees great potential in the recently launched Sunway SPK 3 Harmoni, a freehold development that faces a linear landscaped garden up to 70 feet wide whereby 80% of the homes have been booked within a week of its launch.

Other launches include luxury properties in Sunway South Quay and zero-lot bungalows in Sunway Damansara. With regards to China and India, the Group is confident that it will strengthen its presence with the launch of new and exciting world-class property developments.

Moving forward, the Group will remain committed in its quest to develop more eco-friendly projects as part of its efforts to help green the city. The Group also plans to implement sustainable landscaping practices in its future property developments. This in turn will facilitate the development of buildings that are functional, cost-effective and environmentally friendly.







Sunway SPK 3 Harmoni Clubhouse, providing its residents with a healthy and sustainable lifestyle.



An overview of Sunway Velocity, SunCity's next integrated development.





## Property Investment

Turnover  
RM410 million

Operating Profit  
RM992 million

Occupancy Rate  
100%

Total Net Lettable Area  
4.86 million square feet



## Introduction

Amidst the global economic slowdown and challenging operating environment, the division contributed steady earnings for SunCity. Its flagship mall, Sunway Pyramid, having completed a significant expansion back in 2007 that saw the creation of a total gross built-up of 4.3 million square feet of gross floor area (1.7 million square feet of net lettable area) continued to perform remarkably. The iconic retail landmark situated at Sunway Integrated Resort City remained as the country's biggest, most popular themed shopping and entertainment mall. Easily recognised by its lion head, the mall's prevailing Egyptian-inspired architecture with contemporary interpretations continued to pull a high visitation level of 3 million visitors monthly.

**Sunway Carnival Shopping Mall**, located at Seberang Jaya, Penang continued making strides by introducing more value added services to enhance the shopping experience. The 4-storey mall which houses 155 outlets and a convention centre with a gross built-up area of 800,000 square feet, kept the shopping experience fresh with the introduction of a mall buggy service to ferry shoppers to the car park and the nearby Sunway Hotel Seberang Jaya. It also has a drive-through recycling buy-back kiosk.

**Sunway Giza** is a specialty retail centre located in Kota Damansara, Selangor managed by SunCity. Opened in December 2009, the 3-storey neighbourhood mall with 66 outlets covers a gross built-up of 160,000 square feet. This mall offers various food and beverage, and lifestyle services catering to the residential catchment of Damansara and Petaling Jaya.

**Sunway Tower 2's** refurbishment was completed in 2009. The RM16-million refurbishment includes the facade which received a much-needed facelift and the lobby is now fully air-conditioned and equipped with energy-saving features. The atrium was redesigned, spaces were redefined at the ground and mezzanine floor and a highly visible retail space was introduced.

Key  
Business  
Segments

Property  
Investment



Sunway Pyramid, SunCity's flagship award-winning shopping mall.



Sunway Giza, a specialty neighbourhood mall with Village Grocer as its anchor tenant.

### Key Achievements

1. Sunway Giza, a neighbourhood shopping centre opened its door in the Damansara township offering products and services specially tailored to meet the lifestyle of the neighbouring catchment of Damansara and Petaling Jaya.
2. Sunway Pyramid won the Inaugural Asia Shopping Centre Awards 2008, Silver Award (under the renovation or expansion of an existing project category) awarded by International Council of Shopping Centres. The mall was one of the only 2 winners that saw entries from all over Asia.
3. Sunway Pyramid's public facilities had been recognised as one of the best in the country. Among the accolades won was the "National Quality Toilet Gold Award" (Shopping Mall category) by the Ministry of Housing and Local Government.
4. Sunway Pyramid clinched the inaugural "MY Branded Service Award 2009 - Best Customer Service" (Shopping Mall category). The award was presented by the Father of Modern Marketing, Professor Philip Kotler.
5. Sunway Pyramid won the "Best Thematic Decoration Award" (Suburban Mall category) at the Malaysia Mega Sale Carnival 2009 organised by the Ministry of Tourism Malaysia.

6. Sunway Tower 2 (formerly known as Wisma Denmark) was launched on 15 January 2010. The building underwent a RM16 million refurbishment in 2009 transforming it to a 33-storey prime office tower. After the refurbishment, the tower's rental rose to RM5.50 per square feet and is now 100% tenanted.


### Future Plans

1. Development of Sunway Tower 1, another prime office building on the remaining parcel of land adjacent to Sunway Tower 2.
2. Plans are underway to develop a 28-storey mixed use commercial building and 1,027 parking bays adjoining Sunway Pyramid and a 25-storey office building adjacent to Menara Sunway (Sunway Group's headquarters).




Natural lighting at Sunway Giza.





The futuristic  
Sunway Tower 1.



The newly launched  
Sunway Tower 2.



A night-time photograph of the Sunway Resort Hotel & Spa. The hotel is a large, multi-story building with a distinctive tower on the left, illuminated with warm lights. In the foreground, there is a swimming pool with a rocky waterfall feature. A person is swimming in the pool, and a small yellow inflatable ring is visible on the left. The sky is a deep blue, and the overall atmosphere is serene and luxurious.

## Hospitality

Turnover  
RM289 million

Operating Profit  
RM53 million

No. of Hotels  
16 hotels and resorts

No. of Guestrooms  
3,400



## Introduction

Sunway International Hotels & Resorts is one of Asia's leading hospitality management and corporate services groups driven by a vision of providing attractive returns and capital appreciation to stakeholders and recognised for extending exceptional customer satisfaction and memorable experiences through our brands of owned, managed and/or franchised hotels; Sunway Hotels & Resorts, Allson Hotels & Resort and The Banjaran Hotsprings Retreat in primary and secondary cities in Cambodia, China, Indonesia, Malaysia and Vietnam.

Sunway International Hotels & Resorts manages a collection of hospitality products and services ranging from 5-star hotels with world-class convention, meeting and exhibition facilities, luxurious villas, serviced apartments, 4 and 3-star range hotels, to technical services, travel services, franchise management and hotel marketing affiliation services.

Combining superior hospitality service with world-class culinary expertise, Sunway International Hotels & Resorts properties boast of operationally-centric information technology systems, property management systems, depth of management and a talent for profitable operating practices. Each hotel property benefits from continuous communication with management and full regional support in financial operations, sales and marketing services, brand communications, food and beverage and human resources management.

Sunway International Hotels & Resorts' flagship is the multi-property Sunway Resort Hotel & Spa, boasting two hotels with 1,234 guestrooms all located within the 800-acre of Sunway Integrated Resort City, minutes away from Kuala Lumpur city centre.

Key  
Business  
Segments

Hospitality



Evening view of Sunway Resort Hotel & Spa.



Private villas at The Banjaran Hotsprings Retreat, complete with its own pool.

### Key Achievements

1. The hospitality group also saw the completion of its first luxury wellness retreat, The Banjaran Hotsprings Retreat. Located in Tambun, Ipoh, Perak, the eco-luxury wellness retreat comprising 25 villas and a holistic spa offering wellness therapies, is situated on a 56-acre valley fringing a cluster of towering hills. The indigenous landscape is surrounded by one of the oldest jungles in the world, natural caves, waterfalls and geothermal hotsprings.
2. The year 2009 saw the appointment of Sunway International Hotels & Resorts by Perfect (China) Co. Ltd to manage the Golden Diamond Hotel, Zhongshan, China, thus allowing the hospitality group to set its sights on future expansion into China.

### Future Plans

1. Sunway Resort Hotel & Spa's Sun & Surf Café will introduce a new concept, focusing significantly on ambience, service and food quality; redefining the overall dining experience at this outlet which offers international cuisine.
2. Sunway Resort Hotel & Spa will unveil its refurbished Presidential Suite, epitomising the ultimate in cosmopolitan luxury. The magnificent suite exuding exclusivity and privacy assures distinguished guests generous amounts of space for stylish living, relaxing and entertaining. Guests of the Presidential Suite will enjoy Club Floor privileges and private butler service.
3. Year 2010 will see the development of the Sunway Lost World Hotel. The development of Sunway Lost World Hotel is aimed to provide visitors an integrated experience of live and play within Lost World of Tambun Theme Park. Construction will commence in the second half of 2010.





Serene natural surroundings provide the perfect backdrop at The Banjaran Hotsprings Retreat.





Leisure

Turnover  
RM184 million

Operating Profit  
RM35 million

Park Size  
100 acres

Visitorship  
2.3 million

Endless spills and thrills at Sunway Lagoon.



### Introduction

Sunway Lagoon is Malaysia's most iconic multi-park attraction. It is also the only attraction in the world to have won the prestigious 'Asia's Best Attraction' award for 3 consecutive years (2007 to 2009) awarded by the International Association of Amusement Parks & Attractions (IAAPA).

Sunway Lagoon has gained international recognition as a venue for non-stop fun with its 5 themed signature parks – Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park; and for hosting a string of prestigious and international concerts and events.

Another leisure landmark is in Tambun, Ipoh called Lost World of Tambun, a fully themed park that is carefully blended with its surrounding of limestone hills and enclaves. What was once an unknown forest has now being recreated to be a popular theme park destination in Malaysia.

### Key Achievements

1. Sunway Lagoon won the coveted 'Asia's Best Attraction' award for the third time since 2007 by IAAPA and to date it is the only attraction in the world to have achieved it for 3 consecutive years.
2. Sunway Lagoon scored the award for 'Best Theme Park Attraction' by LIBUR Magazine for the second time from one of the most popular travel magazines in the country.
3. Sunway Lagoon won 'Best Family Holiday/Resort' by Expatriate Lifestyle, one of the leading lifestyle magazines in the country.
4. Sunway Lagoon introduced new attractions at Scream Park. The first being 'Night at the Museum 2: Battle of the Smithsonian' where museum inhabitants and artefacts come alive. The next is an original production of 'The Freezer', a gory, out-of-control asylum.
5. Sunway Lagoon was the venue of choice for 'MTV World Stage LIVE in Malaysia' and 'Eason Chan's Moving On Stage 26' concert in August 2009, 'Arthur's Day Celebration' featuring The Black Eyed Peas in September 2009 followed by the famous R&B group, 'Earth, Wind & Fire' concert in December 2009.
6. A new lease of life was added to the Amusement Park and Scream Park by introducing Nite Park which opens till 11pm. Park-goers can now enjoy the thrills and spills of the various rides at night.
7. Sunway Lagoon Extreme Park added a 'Go-Kart Track' and 'Archery Target Shooting' range, perfect for urban thrill seekers to spend their day.
8. Lost World Petting Zoo opened its doors to the public in end of 2009. The zoo covers an area of 80,000 square feet and is uniquely created within the natural jungle environment, against a backdrop of limestone hills.



Sunway Lagoon Wildlife Park providing children an upclose and personal experience with the animals.



9. Lost World of Tambun was the preferred venue host for the Final Competition for DJ Mix Challenge and Lantern Festival in collaboration with Pantai Hospital.
10. Lost World of Tambun won the LIBUR Tourism Award 2009 in the Best Family Recreation Destination category and the 2008/2009 Innovative Tourist Attraction Award in the Natural Attraction category awarded by the Ministry of Tourism Malaysia.
3. Sunway Lagoon Extreme Park will introduce Malaysia's First Permanent Bungy Jump that will delight thrill seekers with a 30-metre freefall from one of the world's longest pedestrian suspension bridge.
4. Sunway Lagoon Wildlife Park will be expanding its Phase 4 project to feature 4 new enclosures that will house amazing and exotic animals such as gibbons, siamangs, mandrills and black panthers.
5. Sunway Lagoon Amusement Park will be introducing a 4D Theatre to bring the cinematic experience to a surreal level with emphasis placed on olfactory and tactile senses in addition to state-of-the-art audio and visual technology.
6. Sunway Lagoon will once again be the exclusive venue for the highly anticipated 'MTV World Stage 2010', a second collaboration with the music television channel following the successful event in 2009 which attracted a crowd of 15,000 music lovers.
7. An extension of the hotspring poolside at Lost World of Tambun to improve the existing facilities will be completed in September 2010.

### Future Plans

1. Sunway Lagoon Scream Park will unleash a new reign of terror with 'TERMINATOR ALIVE' and 'TERMINATOR X – A LASER BATTLE FOR SALVATION', based on the hit movie franchise. It will also undertake a makeover on existing attractions to give scare-lovers something new to scream about.
2. Sunway Lagoon Water Park will have surfers raving with the addition of Malaysia's First Surf Simulator, the 'Flow Rider' that recreates the ultimate surfing experience for the likes of both professional and amateur surfers.

Putting Malaysia on the world map with the MTV World Stage LIVE in Malaysia at Sunway Lagoon.







A dazzling display of fire-breathing in the Nite Park at Sunway Lagoon.





## Healthcare

Turnover  
RM175 million

Operating Loss  
RM3 million

Specialist Consultation Suites  
100 clinics

No. of Beds  
335

SunMed provides comprehensive and caring healthcare services.



## Introduction

Sunway Medical Centre ("SunMed") is an ISO 9001:2008, MS ISO15189 and Malaysian Society for Quality in Health (MSQH) accredited private hospital.

From a single building to a fully built-up hospital with 5 wings, SunMed has grown exponentially since its inception in November 1999. With the expansion plan starting since 2006, the hospital has grown from its previous 239,163 square feet to span 654,478 square feet. Now, SunMed is poised to set a new standard of service for its growing clientele, making it one of the foremost private medical care centres in the nation with a total of 335 beds, more than 100 consultation suites, 12 operating theatres and a multi-storey car park with 750 parking bays.

A highlight of the new set-up includes a convention centre aptly named the Swan Convention Centre. The multipurpose hall seats up to 400 persons and has an audio-visual linkage with 2 of the new operating theatres to enable live telecast of surgical procedures. Video-conferencing facilities are also being installed.

SunMed offers a comprehensive range of medical services, which includes facilities and medical technologies for outpatient and inpatient specialty care, health and wellness programme, and 24-hour emergency services. Aside from the accident and emergency first response and primary

care services which are manned by medical officers, all the doctors in the hospital are of Consultant Specialist level. SunMed requires that practising Specialists must have internationally-recognised postgraduate qualifications as well as a stipulated number of years of experience in their chosen specialty/sub-specialty discipline.

## Key Achievements

1. SunMed Clinic opened its doors to the public in November 2009. Located at Sunway Pyramid, this clinic is an extension of the SunMed's staff health/primary care services. The SunMed Clinic was set up for 3 main reasons, the primary one being to provide a more convenient and accessible clinic for the Sunway Group's staff. Second, the new clinic will also serve the needs of the burgeoning student population of Sunway University College and Monash University Sunway Campus.

The clinic facility has also been designed with the needs of medical education/teaching and clinical research in mind – supporting the needs of the Jeffrey Cheah School of Medicine & Health Sciences of Monash University Sunway Campus. The clinic will provide services such as primary care and first aid care, chronic illness management, child health, diet and rehabilitation counselling, chest and soft tissue x-rays, basic ultrasound, ECG, pap smear and various screening programmes.



SunMed, one of the foremost private hospitals in the country.



SunMed and Monash University Sunway Campus had signed a Memorandum of Agreement for the provision of teaching and research facilities.

2. The re-certification of ISO 9001 : 2008 marks SunMed's continuous effort in maintaining its standard and being a leader in the medical industry.
3. Critical Care Information System ("CCIS") went 'live'. This is part of the ongoing programme to digitise manual procedures. SunMed has brought in new patient-care monitors with an embedded CCIS software and this technology is linked to the 31 beds in the critical care unit. The CCIS enables digital capture of the patient's vital signs - pulse rate, respiratory rate, blood pressure, etc to be captured digitally into a digital chart, which replaces the larger than A3-sized sheets that nurses had to fill in.
4. SunMed organised various workshops and events such as Life-changing Education through Activity and Nutrition (LEAN) club interschool challenges, Empowering Women Who Are Single which was officiated by YB Dato Shahrizat, and the Orthopaedic and Cartilage Repair Symposium.
5. SunMed and Monash University Sunway Campus signed a Memorandum of Agreement to work towards the provision of teaching and research facilities for students of the Jeffrey Cheah School of Medicine & Health Sciences of Monash University Sunway Campus.
6. SunMed held its first Minimally Invasive Endoscopic Spinal Surgery Conference on 9 October 2009.
7. SunMed launched its In Vitro Fertilisation ("IVF") treatments. IVF is a major treatment in infertility when other methods of assisted reproductive technology have failed.
8. SunMed partnered with a paediatrician to run Baby and Beyond, a new company set up in Bangsar Village 2.
9. SunMed celebrated World Stroke Day for the first time and provided patients with free health talks, medical screening and consultation.
10. SunMed launched the medical oncology services and developed the framework for the Clinical Research Centre. Sub-brand logos have been developed for these 2 new services.

### Future Plans

Masterplan for the proposed Sunway Academic Health Sciences Centre ("SAHSC") on the land adjacent to SunMed has begun. The first stage will see the development of a cancer centre to provide radiotherapy services. The SAHSC will support the Jeffrey Cheah School of Medicine & Health Sciences of Monash University Sunway Campus, through the provision of facilities and services for education and research, at both undergraduate and postgraduate levels.



The new, state-of-the-art operating theatre in SunMed.





Beautifully landscaped walkway around Sunway Integrated Resort City undertaken by SunCity.





## Corporate Responsibility

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# Corporate Responsibility

As a Malaysian public listed company, SunCity is fully aware that there is an interdependent relationship that exists between its business operations and the society it operates in. The Group is equally cognisant that a business can only flourish when the community it operates in is vibrant and thriving.

As a result, SunCity's corporate responsibility policy encompasses the marketplace, workplace, environment and community in order to create greater synergy for the development of a well-balanced society. This policy serves as a guide for all divisions in their day-to-day corporate conduct and business operations.

By placing emphasis on these 4 main pillars, SunCity aims to enhance the quality of life for its customers, employees as well as members of the community. This in turn will fortify the Group's reputation as an established and trusted organisation.

Moreover, it has also become increasingly evident that an organisation with good corporate responsibility practices stands a better position to gain confidence from its stakeholders. In the long run, this will lead to higher market valuations and elevate the Group's status in the eyes of investors and the community at large.





As such, we are focused on inculcating a culture of being socially responsible within the mindset of each employee. We truly believe that each employee can make positive contributions in various aspects of the business. By promoting this culture, SunCity's approach towards its corporate responsibility programme will also be more cohesive and unified.

Our primary goal is to build long and trusting relationships with our stakeholders by being committed in serving the communities we

operate in. It is only through a series of dedicated programmes that an organisation can make a tangible difference. With our strategic actions, we hope to influence the future for the better from a business and social perspective.

On this score, we will continue to explore and embrace new avenues that will enhance our ongoing corporate responsibility initiatives. We are optimistic that our mission to be a caring corporate citizen will result in a lasting legacy for the greater good of the community.



Sunway Pyramid's outreach programme, "Go green with Leo" promotes recycling and care for the environment from young.



The luxurious designer residence with its own private lift in BayRocks Garden Waterfront Villa at Sunway South Quay.



## Pillar 1

### Marketplace

SunCity firmly believes in the importance of having good corporate governance as it plays an imperative role in the stability of any organisation and to a larger extent, the nation's economy.

On this matter, the Group strives to maintain a corporate governance framework that strictly adheres to all statutory and regulatory requirements. The framework also strongly emphasises on equitable treatment to all shareholders and promotes a higher level of disclosure, transparency and accountability.

In order to encourage good corporate governance, SunCity inculcates a strong culture of integrity amongst its employees. By instilling this culture, this helps ensure that all businesses are conducted in a fair and professional manner. Details on SunCity's corporate governance practice are published under the Corporate Governance Statement.

The Group also places great prominence on timely and accurate disclosure to its stakeholders with regards to financial performance, business activities and other related matters.

#### Procurement Policy

The procurement process is managed by the Supply Chain Management Department. The procurement goals are to engage reliable, qualified and competent suppliers and to procure materials economically without compromising on quality. The procurement team adds significant value through a systematic evaluation and selection of suppliers, keeping abreast with latest specifications and building strategic win-win partnerships with its suppliers. Competitive bids and price quotations are also conducted with the aim of providing transparent, open and free competition in the procurement process. This is accomplished by adhering to formal competitive bidding procedures and negotiating price agreements.



### Investor Relations

SunCity continues its effort to provide transparent communication to the investing community via dialogues, effective presentations, timely press releases, website and many more. SunCity believes in accountability, openness and transparent communication as this will assist its investors in making informed and accurate decision on their investment in SunCity. Investors, analysts and shareholders are also able to obtain information on the Group's financial performance from its website and feedback is encouraged via email. Details of Investor Relation activities are provided in the Investor Relations section in the website.

### Total Quality Management System ("TQMS")

Promoting, practising and maintaining high quality standards in whatever we do. With this as our principle, the Group adopts the TQMS in every division and operations. Continuous work process improvements are applied throughout the Group by way of planning, organising and empowering each individual in doing things right the first time every time. The TQMS is organisation-wide and is steered by the senior management.

SunCity proves its excellence in quality through the ISO accreditations received. SunCity's Property Development division, well-known to provide quality and aesthetic design developments, is accredited with the MS9001:2008 Quality Management Systems – Requirements in the Development of Residential, Commercial and Industry Properties. This certificate was accredited since 26 September 1997.

### QUALITY STATEMENT

SunCity is committed to be a Customer Intimate Organisation by consistently providing positive customer experience through the support of competent employees, total involvement, operational excellence, continuous measurement and improvement.

The TQMS model is based on the 5 Pillars of Total Quality Management:

#### CUSTOMER FOCUS (meeting requirement)

We satisfy the needs of our internal customers (Employees) in order to meet the requirements of external customers. We evaluate the feedback from our employees as well as our customers and seek opportunity for continuous improvement.

**TOTAL INVOLVEMENT  
(taking responsibility for quality)**  
The responsibility of every SunCity staff has been clearly defined. Everyone in SunCity is responsible for the quality of his output. Extensive time has been spent in cultivating the quality concept throughout the organisation through poster campaigns, education, training and workshops at all levels.

**SYSTEMATIC SUPPORT  
(leading & reinforcing)**  
We plan, continuously provide and review all resources or infrastructure to support the quality efforts. Chief of which are the Annual Business Planning, ISO Standard Operating Manual, Work Instruction and Knowledge Portal.

**MEASUREMENT  
(monitoring quality)**  
We measure our organisation and individual performance in relation to the Company and quality objective.

**CONTINUOUS IMPROVEMENT  
(preventing & innovating)**  
We improve constantly on ways to prevent problems, to make improvements and to serve customers better.







Sunway Vivaldi's lush 2 acre eco-deck provides the perfect living environment for families.





Building a sense of pride in employees during Pride of Association site visits.





## Pillar 2

### Workplace

#### 2.1 HUMAN CAPITAL DEVELOPMENT

The Group firmly believes that quality human capital forms the backbone of the success of any organisation. This philosophy is taken one step further by infusing best practices into our approach which are aimed at promoting human capital excellence. As such, SunCity is fully committed in engaging, developing, training and rewarding its employees.

Employees are continuously provided with numerous opportunities to achieve their fullest potential. This is evidenced by the Group's significant investments in human resources to develop comprehensive programmes that offer professional and personal growths.

These talent management programmes have been specifically designed to equip our employees with the necessary skills to achieve outstanding performance and to facilitate growth in their respective careers.

##### 2.1.1 Talent Attraction and Recruitment

Attracting, acquiring and assimilating highly talented individuals into our organisation.

Attracting the best talent remains a core priority as this will complement the Group's objective to achieve greater heights of success. SunCity aims to recruit the right people with the right qualifications and experience.

For the period under review, we actively participated in career fairs with the objective of employing promising candidates. Thereafter, applicants are required to undergo a 'Focus Behavioural' Interview and 'Personality Profiling' tests which aimed at discovering the candidates' competencies and behavioural traits so as to find the right fit with the position being considered for.



Motivated and happy employees at the annual teambuilding event.



Recognising employees' outstanding achievements.

### 2.1.2 Talent Engagement

Employees going extra mile and putting in discretionary efforts because their values and interests are aligned with that of the organisation.

Recognising the need to engage with all employees, SunCity embarked on internal and external engagement surveys to understand the level of engagement perceived by our own employees and to identify areas for further improvement.

Both surveys provided a comprehensive understanding of the level of engagement within SunCity and helped to identify the opportunity and threat drivers that will lead to better engagement of employees. Some of the dimensions measured include performance management, compensations and benefits policy, organisational communication and leadership, employee development as well as work environment.

To further differentiate SunCity apart from the other employers in the market, SunCity recently embarked on an 'Inside Out Employer Value Proposition' programme, through which the "MORE" campaign was launched and subsequently integrated into all of the Group's internal communication channels.

The main objective of the "MORE" campaign was founded on the idea of making SunCity a 'Great Place to Work'

("GPTW"). The objective of GPTW is to promote SunCity's employee engagement activities. The GPTW is focused on improving productivity, retaining employees and injecting the work environment with motivational ideas.

The logo which has "MORE" in its centre and the words 'Learn, Do, Enjoy and Be' - symbolises the mutual commitment between the employees and the management to make SunCity a 'Great Place to Work'. The proposition is that every employee in SunCity will be given the opportunity to 'Learn, Do, Enjoy and Be MORE'.

To date, we can proudly state that we are on track in meeting our objectives as evidenced by our string of activities under the GPTW programmes. These programmes include the Revisit of Balanced Scorecard Methodology, Buddy Programme, Learning Institute, Pride of







Social Linkage: Working and playing together, in and out of workplace.



Successful integration of new employees through the Buddy Programme.

Association, Social Linkage and the exciting Kopitiam Sessions. Through the GPTW programmes, SunCity is on its way to take employee engagement to the next level. This in turn further strengthens SunCity's position as a green, innovative and customer-intimate, integrated real estate player.

With the primary objective of promoting bonding and staff engagement, various activities were organised under Social Linkage including karaoke sessions, movie-day, ice-skating, bowling competition, badminton sessions and cycling trips.

SunCity, as one of the top 3 developers in Malaysia is proud to present its products to the employees via the Pride of Association programme. The purpose of this activity is to introduce the award-winning homes to the employees by organising field trips to the sites and show units, infusing a sense of pride to be associated with SunCity's very own developments. Among the sites visited were Sunway South Quay, Sunway Palazzo and Sunway SPK Damansara.

New-joiners in the Group is paired-up with an experienced buddy under the Buddy Programme, whereby the buddy is responsible to guide the new-joiner to familiarise with the new environment, infrastructure system and SunCity's culture.

Internship Programme: The Group emphasises the Internship Programme. This programme acts as a platform for

our Employer Value Proposition initiative. One of the objectives is to share the vibrant experience in SunCity around campuses in order to publicise the Group as an employer of choice. The interns are exposed to corporate environment which prepares them for the working world. We have been employing interns from renowned higher learning institutions including Monash University Sunway Campus, Sunway University College and University Malaya, and placing them in various departments including Supply Chain Management, Finance, IT, Construction Management and Marketing.

### 2.1.3 Talent Management

The Human Capital Development ("HCD") department has been instrumental in the systematic identification and cascading of the Group's organisational key performance indicators to the respective divisions and onwards to the operational and support levels.

Monitoring, managing and evaluating organisation / employee performance according to key performance indicators are based on 4 perspectives (Financial, Customer, Internal Process, Learning & Growth) by creating a work environment or setting, in which people are enabled to perform to the best of their abilities and are adequately rewarded for their performance activities and attitude at work.



Promoting a customer-intimate organisation.



Dialogue with EXCO during the Sunway Managers' Conference 2008/2009.

The HCD department spearheaded the revisit of the Balanced Scorecard Methodology which attempts to align the priorities of the organisation with the challenges faced in the marketplace. It is also aligned with the organisational key performance indicators in the Annual Performance Review for all employees. For the purpose of developing talents and for annual performance evaluation of our employees, we have also introduced the all-new Collective Moderation and the Annual Talent Review programmes.

#### 2.1.4 Talent Development and Retention

The Learning Institute represents our commitment to individual, team and professional development for our employees. On a fortnightly basis, attention is given to various areas such as knowledge management, technical skills, customer-driven culture, communication sessions and others. The objective is to provide a platform where individuals can harness their potential even further. Various work-related activities are organised on half-day basis whereby the senior management was invited to facilitate the sessions. This demonstrates the willingness and efforts to share their knowledge and technical know-how to the younger generations.

#### 2.1.5 Succession Planning

SunCity has a structured succession planning process to ensure smooth business continuity. Key talents with future leadership potential are developed through the High Potential Development Programme. Several of these talents are developed through other more financial intensive programmes such as INSEAD and the Harvard training programme.

In line with the development of talent, various talent development programmes are used such as Sunway Managerial Advancement for Recruited Talents ("SMART"), Young Hi-Po Development Programme, Management Development Programme and Hi-Po Development Programme.

#### 2.1.6 Training Programmes

##### SMART Programme

SunCity is a firm believer in recruiting young talents and providing them with a structured professional development programme to harness their strengths and improve their knowledge. To this end, the SMART Programme was initiated in 2002 to accelerate job competency at entry level to better manage and develop the Group's talent pool. The SMART Programme aims to recruit, train and retain the best Malaysian graduates with excellent academic results and a track record of leadership capabilities.





Tan Sri Dato' Seri Dr Jeffrey Cheah sharing the Sunway Group's vision during the Sunway Managers' Conference 2008/2009.



Rewarding the outstanding employees with the Excellence Award.

#### ICAEW and ACCA Programmes

The Group was appointed as an Approved Training Organisation by the Institute of Chartered Accountants in England & Wales to run the Associate Chartered Accountants programme. The Group is among the first non-accounting related firms outside of the United Kingdom to be awarded this prestigious appointment.

In addition, the Group was also accorded with the Approved Employer status by ACCA.

#### Sunway Managers' Conference

In addition to these professional programmes, all managerial level executives within SunCity attend the yearly Sunway Managers' Conference organised by the Group Human Resources. The conference provided an insight into Sunway Group's strategic direction and objectives. The theme for 2009 was Sustainable Leadership – Lessons From General Electric ("GE"), with highlights included talks by Stuart Dean and Nina Dankfort, who spoke on Sustainable Leadership at GE and GE Leadership Development.

#### Other Training Programmes

Other training programmes prepared by the Group include 'Skill Training – Train The Trainer' which was designed to identify and determine departmental trainers for more efficient interdepartmental communication and teamwork; 'Sunway Delight' which concentrated on reinforcing the notion

of delivering excellent customer service and 'Telephone Communication Skills', a programme that helps staff members develop and sharpen their communication skills.

In the past years, Sunway Resort Hotel & Spa's employees have been attending an average of 250 training hours monthly ranging from internal to external training courses. These sessions covered a host of topics from Department Standard Operating Procedures; Balanced Scorecard and Key Performance Indicators; IT and Computer Skills to Product Knowledge Indicators; Food Hygiene and Sanitation. The sessions were designed to equip management and staff on various aspects of product and service delivery.

As Malaysia's premier multi-park destination, Sunway Lagoon is constantly developing, inculcating and helping its employees to advance their careers through internal and external training programs aimed at nurturing existing talents.

Sunway Lagoon's employees are always encouraged to attend various internal training programmes such as 'Be My Guest' which focused on delivering efficient guest service; 'Front of the House Selling' to develop a simple framework for structuring pro-active sales and also 'Service Leadership' aimed at developing management leadership and interpersonal skills.



One happy Sunway family at the KSS Family Day.



Presenting 30 years long service award to the loyal and dedicated employees.

### 2.1.7 Group Human Resources ("GHR") Resource Centre

GHR Resource Centre was launched on 23 March 2007, a knowledge centre where employees are provided with books, CDs and DVDs on various subjects ranging from leadership, management, communication, motivational, innovation, entrepreneurship, decision-making to problem-solving as well as books on self-help. GHR Resource Centre is committed to continuously inculcate a learning culture within SunCity by encouraging reading among employees.

### 2.1.8 Kelab Sukan Sunway ("KSS")

KSS represents the Group's mission to inject a spirit of unity amongst all employees. During the period under review, numerous activities ranging from family day, team outings, lunch talks, sports carnivals and holiday trips to local and overseas destination were organised by KSS for the benefit of all employees. Additionally, KSS encourages all employees to reach out to the less fortunate through volunteering and making charitable contributions.

Another main activity organised by KSS was the annual KSS Sports Carnival to promote sports spirit and teamwork among employees. The sports activities included badminton, futsal, basketball, bowling, netball and others.

KSS maintains a clubhouse with comprehensive sports facilities including squash court, gym, pool table, sauna room and a members' lounge with television set for the benefit of KSS members to enjoy and relax.

## 2.2 HEALTH & SAFETY

SunCity constantly promotes a safe and healthy work culture for a more conducive working environment. To this end, different initiatives were introduced with the support from various internal and external parties ranging from developing an extensive fire and building safety systems to ensuring transparency via independent audits conducted by external qualified professionals.

Fire drills are conducted regularly in all SunCity's properties to prepare for any emergencies, to ensure that all fire prevention systems such as fire alarms, emergency communication including pagers, SMS, paging phone and fire intercom, lift and escalator, roller shutters, public address systems, fire extinguishers, sprinklers, smoke and heat detectors are in proper working order and also aimed at demonstrating employees' expertise as First Responders in ensuring the safety of all our customers and staff members prior to the arrival of the Fire and Rescue Department personnel.





Strengthening our diversity through festival celebration.



Empowering employees with various training programmes in Learning Institute.

Operations personnel also attended a 'Safety Induction Programme' that covers areas such as 'Fire Preventive & Fighting', 'Chemical Handling', 'Forklift Training', 'First Aid Training', 'Emergency Response', 'Electrical Safety' and 'Confined Space Training.'

To the extent of promoting a safe and healthy working environment, the Group is proud to have received recognition from international certification bodies namely ISO 14001 for Environmental Management System and HSAS 18001 for Safety Management System. Sunway Resort Hotel & Spa won the National Excellence OSH Awards 2004 and 2006 for having achieved the highest score after undergoing several stringent process and audit exercise in the hotel & restaurant category. Sunway Medical Centre portrayed the same excellence in OSH by winning the Silver Award in the National Excellence OSH Awards 2004 and 2006 in the business services category.

#### SAFETY STATEMENT

SunCity is committed to providing a safe and healthy workplace to all employees as well as those involved in our daily business activities. In this regard, SunCity strives towards ZERO life loss and is committed to complying with provisions of the Occupational Safety & Health Act 1994, its regulations and all the approved codes of practice by:-

- Identifying all hazards, assessing the risk and controlling them.
- Ensuring that all heads of operating companies are committed to strive for continuous improvement as per Occupational Safety & Health standards in their respective organisations.
- Ensuring that all companies comply with the Occupational Safety & Health laws, its regulations and approved codes of practice.
- Maintaining all occupational safety and health documentations and conduct periodic reviews on its effectiveness.

SunCity shall continuously strive towards achieving the Occupational Safety & Health excellence through training, supervision and support to ensure a safe and healthy working environment.

### 2.3 WORK-LIFE BALANCE

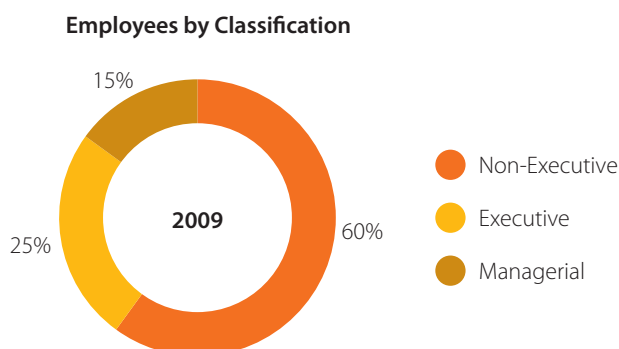
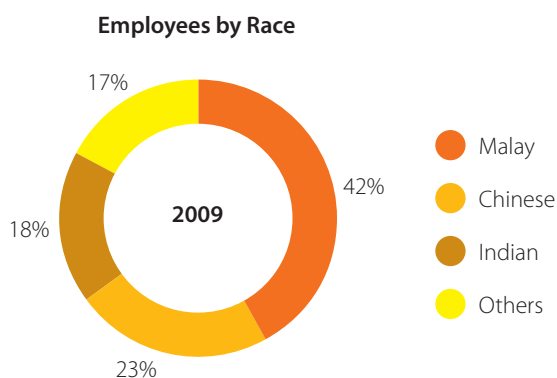
SunCity believes that work-life balance is integral for all employees to achieve greater synergy between work and personal life demands. On this note, all the divisions had organised numerous sporting and recreational activities for health benefits and to foster greater networking amongst employees. Various outdoor and indoor games and tournaments such as sepak takraw, futsal, volleyball, basketball, netball, bowling, badminton, darts, caroms, chess/checkers, pool and congkak were held throughout the financial period under review. Employees are also encouraged to celebrate the nation's various festive seasons to promote a greater sense of belonging and unity.

### 2.4 DIVERSITY AT WORKPLACE

The Group embraces diversity at the workplace and we do not allow room for any form of discrimination against people from a different gender, marital status, race, nationality, ethnic origin or age. All employees at SunCity are treated with respect and in a fair and respected manner. Diversity is interwoven into the Group's key business strategies, service delivery, policies, procedures, practices, mission, vision and values.

By employing a diverse workforce, the Group is able to have a better understanding of today's dynamic market demographics. It will also enable the Group to tap into a pool of people from different backgrounds who can generate creative solutions to ensure that the Group becomes more responsive in today's globalised economy.

In the long-term, this will allow the Group to engage in more meaningful relationships with society at large and make significant contributions to the nation.







In SunCity, we celebrate all major festivals with our employees through department party and decoration contest.



**CHARITY  
BAG HUNT**  
23 June 09

**BRING  
YOUR  
OWN  
BAG**  
SAVE OUR PLANET  
MAKE IT PAPER & PLASTIC FREE

Promoting a paperless and plastic-free shopping experience in Sunway Pyramid.

Pyramid.

**SUN**

Your U





## Pillar 3

### Environment

SunCity places great importance on environment conservation by actively managing our resources in a responsible manner while consistently developing and implementing environmentally-friendly business practices. This is premised on the need to strike a balance between our business objectives and the environment. In line with the Group's vision of building livable townships, we have never overlooked the importance of preserving the environment through new and innovative measures.

#### Property Development

As one of the first-movers in developing green property development projects, the Group had incorporated various principles of sustainability in its earliest development in Sunway Integrated Resort City, such as aligning our units in a north-south orientation to reduce heat and using high-quality cavity walls to provide better insulation.

This approach continues till today whereby the Group incorporates numerous green initiatives for greater energy and water efficiency in its newest property developments such as Sunway Palazzo, Sunway Challis, Sunway Vivaldi and Nautica as highlighted earlier in this annual report. These 4 developments were awarded the Singapore's Building and Construction Authority Green Mark which evaluates buildings for their environmental impact and performance.

In the spirit of togetherness, Sunway SPK Damansara organised a 'gotong-royong' with the residents to clean, beautify and plant trees in August 2009. SunCity also donated 200 trees (*Eugenia oleana*) as well as 1,800 square meters of carpet grass to beautify the landscape. By having a sustainable environment, this would help improve the property value of the surrounding area.

The division also organised a Merdeka Green Campaign from 15 to 31 August 2009 to promote awareness on the

quicker vehicular flow and thus reducing heat and exhaust emission in the car park. The success of this system had resulted in the duplication of this system in Sunway Giza.

In terms of energy efficiency, natural lighting is introduced inside Sunway Pyramid and Sunway Giza to help reduce energy consumption significantly.

To conserve water, waterless urinals were installed in the men's restroom. Utilising a special biodegradable chemical



Natural lighting in Sunway Pyramid.



Inculcating the recycling habit from a young age.

importance of safeguarding the environment. Villa Manja @ Sunway SPK Damansara, BayRocks at Sunway South Quay, Sunway Vivaldi, Casa Kiara II and Sunway Damansara were involved in this campaign. During this campaign, organic composting talks and demonstrations were conducted while temporary recycling centres were opened.

### Property Investment

As one of Malaysia's most popular shopping destinations, Sunway Pyramid has been a huge supporter for green initiatives in all its business operations. Sunway Pyramid installed Malaysia's first 'Carpark Guiding System' that enabled motorists to locate vacant bays. Apart from convenience, the guiding system allowed

compound, this environmental friendly liquid breaks down urine into harmless and odorless particles without the need to flush. Motion sensor taps were also installed to reduce water wastage.

To encourage recycling, recycling buy-back centres were built for shoppers and tenants to discard recyclable materials in Sunway Pyramid and Sunway Carnival. In addition to these centres, recycling bins in sets of 3 for paper, plastic and aluminum wastes are placed throughout the malls.

Paving the way for plastic and paperless shopping, Sunway Pyramid kick-started its Bring Your Own Bag ("BYOB") programme to encourage shoppers to go green. Limited editions of BYOB bags were also on sale for the public. Proceeds were subsequently channeled to Sekolah



Menengah Kebangsaan Bandar Sunway Special Education Unit for their special students' gardening project.

Apart from efforts within the malls' premises, they were extended to kindergartens and schools in Klang Valley through a green outreach programme with 'Leo the Lion' to increase awareness on the importance of recycling.

In line with the Hospitality division's holistic approach towards sustainable development, green efforts were

To reduce water consumption, water saving push valves, shower heads and low flush toilet systems have been installed. Water conservation is further promoted via rainwater harvesting whereby rainwater is collected in a series of lakes contained by a weir system, and then used for landscaping.

Waste management programmes have also been employed at the resort. This includes waste separation to ensure that various waste products such as paper, plastic, metal, glass, kitchen waste, garden waste and toxic waste are properly



Encouraging recycling amongst the local community.



Children enjoying an interactive session in Sunway Lagoon.

extended towards the area of hotel management and operations of the hotels. This is exemplified by The Banjaran Hotsprings Retreat. Representing a holistic approach towards energy-efficiency and sustainable design through planning, designing, environmental services, waste management and hotel operations, the resort aims to satisfy all 4 pillars of eco-luxury which encompasses social, cultural, economic and environmental well-being.

The design and planning takes advantage of the existing site conditions by preserving natural elements and incorporating them into the design. Passive cooling is promoted by allowing breeze to travel through the villas and spa by using a combination of open planning and clustered planning concepts.

separated. The resort also has its own composting facility. Garden waste is shred and composted to create natural fertilisers. The resort also practises energy conservation with the installation of an environmentally-friendly and high-energy cooling system which results in enhanced air quality, humidity control and energy-efficient performance.

Sunway Resort Hotel & Spa, Sunway Pyramid and Sunway Lagoon had also played a role in environment conservation by turning off its façade and unessential lighting for 60 minutes on 28 March 2009 to demonstrate its support of Earth Hour, a worldwide initiative aimed at reducing global warming. This has translated into savings in electricity consumption and carbon emission, on top of creating awareness on climate change.

In an effort to promote a safe and healthy environment, NanoMax® technology is employed in all guestrooms at the 4-star Pyramid Tower Hotel, Sunway Resort Hotel & Spa's Executive Offices and staff areas. NanoMax®, the latest air purification technology, cleanses, sterilises and deodorises the air.

The Ministry of Health, Malaysia, through its assigned lab technicians, conducted a test and inspection of the guestrooms at Pyramid Tower Hotel on 22 October 2009 and declared a reading of "1" for Surface Swab Test and particle count of "below 500" in Bioaerosol Test (air particles measurement), making Pyramid Tower Hotel the first hotel in Malaysia to employ the Nanomax® technology in its control of indoor air pollutants, directly helping to raise health standards in the hospitality industry.

Sunway Lagoon incorporates elements of the 'Lifestyles of Health and Sustainability' (LOHAS) philosophy into its practices of corporate responsibility.

Subscribing to the pillars of environment and sustainable development, Sunway Lagoon Wildlife Park was constructed around the existing trees. Since then,

more trees have been planted with most of it being local varieties of fruit trees and foliage. Thereafter, the fruits are used to feed over 150 species of animals at the Sunway Lagoon Wildlife Park.

This in turn created a natural eco-system as the birds that feed on the fruits then helped to disperse seeds around the 88 acres of Sunway Lagoon, making it one of the few lush man-made green lungs in the middle of the city.

Sunway Lagoon also practises a policy to ensure that employees switch off all unessential lights and air-conditions to help reduce unnecessary energy consumption.

Sunway Lagoon Wildlife Park is also proud to be a green education platform and aids in the personal development of young children and youth from various educational institutions such as kindergartens, learning centres and schools. The educational zoo encompasses concepts of 'See, Touch & Learn' to facilitate the learning process during field trips so that children are able to get up close and personal with various animals, learn more about their habitats and the importance of recycling.







SunCity also played a role in environmental conservation by turning off all its unessential lighting for 60 minutes in support of Earth Hour 2009.



# TOURIST POLICE SELANGOR



The new Tourist Police Service Centre in Sunway Pyramid, making Sunway Integrated Resort City a safer place.





## Pillar 4

### Community

SunCity works closely with the local community by providing assistance to improve educational, cultural and social development. On this score, all divisions are strongly encouraged to participate in charitable activities in order to make a positive difference and reaffirm the Group's presence in the hearts and minds of the people living in the community we operate in.

The *Jeffrey Cheah Foundation* was established on the principle of 'Nurturing the Seeds of Wisdom'. A philosophy inspired by its visionary founder, Tan Sri Dato' Seri Dr Jeffrey Cheah, the Foundation is committed to contributing to society through education. Since 1997, it has been Tan Sri Dato' Seri Dr Jeffrey Cheah's aspiration to provide quality education. With the establishment of the *Jeffrey Cheah Foundation*, his vision has evolved into a timeless commitment for the benefit of the community and society as a whole.

#### Property Development

SunCity has undertaken countless efforts to improve the livability and sustainability of the Group's future developments. The well-planned and gated community of Sunway Integrated Resort City ("SIRC") is carefully designed with lush landscaping and lifestyle recreational facilities to cater for modern living. The 800-acre development features numerous amenities such as a reflexology pathway, jogging tracks, basketball courts and a children's playground.

For the Sunway City Ipoh development, SunCity contributed RM1.5 million to build a 750-metre service road from the North-South Highway to Jalan Tambun, Ipoh. This service road is expected to benefit 10 million visitors and tourists to Sunway City Ipoh.

Officially opened by the Second Finance Minister and Tambun Member of Parliament, Dato' Seri Ahmad Husni Mohamad Hanadzlah, the 750-metre service road will help motorists save traveling time significantly along the Tambun / Ipoh stretch, especially during the peak hours along Jalan Sultan Azlan Shah Utara.

As a testament to the Group's reputation as a responsible developer which has always emphasised on maintaining close and mutually beneficial working relationships with our partners, the Perak State Government had recently invited Sunway City Ipoh to be a catalyst developer for the Eastern Corridor, in line with the State Government's ambition to promote recreation and tourism in Perak.

### Property Investment

In line with SunCity's initiative to make safety a priority, a RM500,000 Selangor Tourist Police Service Centre was opened in Sunway Pyramid to provide added security for tourists and locals alike in SIRC. Selected ranks of Sunway Security personnel had undergone Police DiRaja Malaysia training and were accorded Auxiliary Police status. This made Sunway Pyramid the first mall in Malaysia to have its own Auxiliary Police force.

Sunway Pyramid also collaborated with numerous non-governmental organisations ("NGOs") to organise outings for the underprivileged and provide venue sponsorships. These NGOs include Masjid

Al-Husna, New Life Care Centre, Setapak Home of the National Council of Senior Citizens Organisation Malaysia, Rumah Kids, Precious Home, Rumah Amal Cahaya Tengku Ampuan Rahimah, Ti-Ratana Welfare Society and Sekolah Menengah Kebangsaan Bandar Sunway (Special Education).

As part of SunCity's Job Placement Programme, Sunway Pyramid invited special students from Sekolah Menengah Kebangsaan Bandar Sunway to work as ice-rink attendants. The 6-month attachment programme allowed the students to gain valuable working experience.

For the Hospitality division, Sunway Resort Hotel & Spa was actively involved in several charity initiatives. The hotel sponsored the venue for the Australian Bee Gees concert on 31 May 2009, with the proceeds channeled towards grooming future local singers from Persatuan Karyawan Malaysia.

The hotel also invited 59 children from various homes within Selangor and Klang Valley including Trinity Home, Rumah Hope, Ti-Ratana Welfare Home and Rumah Hope to enjoy a fun day and to see the Dolphins & Sea Lions Show held at Sunway Pyramid as a year-end festive treat.

In addition, Sunway Resort Hotel & Spa is a regular provider of meals for the Kiwanis Club which held its annual retreat at Sunway Lagoon. On 8 and 22 December 2009, the hotel also prepared meals for 70 participants of eHomemakers' Household Management Programme, targeting



Enhancing Sunway City Ipoh's accessibility with the new service road.



A fun day out at Lost World of Tambun with orphans from Good Shepherd Family Home.



single mothers and the disadvantaged. eHomemakers is South East Asia's only community network that promotes work-life balance; teleworking and the running of SOHO businesses through the use of information and communication technology.

The hotel also regularly contributes bedding and furnishing materials to NGOs such as Kiwanis International, Gereja Caritas Kepong, St. Barnabas Church and other orphanages.

From an educational perspective, the hotel supported 4 special students selected from Sekolah Menengah Kebangsaan Bandar Sunway and Sunway University College by training them in the hotel's various restaurants to equip them with basic food preparation and other useful skills.

Sunway Lagoon also believes in creating fun and providing it to the needy. Sunway Lagoon played host to the underprivileged and special needs children during the 11th Annual Children's Party on 18 April 2009. Sunway Lagoon and Kiwanis Malaysia co-organised the event for more than 800 children to a day of thrills and spills, providing a form of therapeutic fun.

Another event was 'Project Hope' on 26 November 2009, which was jointly organised with SunCity. Underprivileged children from China were treated to a trip to Malaysia where they experienced a day of fun and excitement at Sunway Lagoon.

Sunway Medical Centre ("SunMed") opened the SunMed Clinic at Sunway

Pyramid in November 2009, an extension of the health and primary care services within the main hospital. The new clinic will serve the needs of the burgeoning student population of Sunway's 2 universities namely Sunway University College and Monash University Sunway Campus. The clinic facility was designed with the needs of medical education/teaching and clinical research in mind particularly in supporting the needs of the Jeffrey Cheah School of Medicine & Health Sciences of Monash University Sunway Campus. It is envisioned that the clinic will play a pilot role in the development of public health and chronic disease management policies and strategies, global health and local public health.

The clinic will also be an avenue for the medical students and Monash medical school to study and conduct research in these areas of medicine mentioned and will also serve as a training facility for postgraduate programmes that Monash University Sunway Campus may roll out in the future.

In mid-2009, SunMed signed a Memorandum of Agreement with Monash University Sunway Campus to work towards the aim of establishing teaching and research facilities for the students of the Monash Medical School.

SunMed Specialist and Wellness Centre hosted its first Open Day on 7 November 2009. Over 120 people from all walks of life were treated to free health screenings including blood pressure checks, body mass index, eye and glucose tests, breast examination, speech and language



Giving back to the local community through free medical check-up.



Spreading the festive cheer with the less fortunate during Chinese New Year in Sunway Pyramid.

consultation and various health talks to increase awareness of healthy living. For the children, there were also fun activities such as face painting to keep them busy while the adults attended to their health needs.

The Open Day was a way of contributing back to the community and to introduce the services offered which include primary care, specialist consultation and treatment, wellness programmes and executive health screening, allied health specialist consultation and diagnostic examinations.

SunMed has also collaborated with the Malaysian Liver Foundation and National Kidney Foundation to raise funds for their foundations' programmes.

To educate the masses on serious health issues covering symptoms, diagnoses, prevention and cure, SunMed hosted free forums to promote public awareness to address various health concerns in our society today. In the hope of inculcating awareness in the young, SunMed also has a special club for obese children – the LEAN CLUB (Life-changing Education through Activity & Nutrition). It is aimed at young children and teenagers who are overweight, in an effort to reduce the risk of obesity-related chronic states such as diabetes mellitus and heart diseases.







Project Hope: Charity beyond borders for underprivileged children from China.



A photograph of three children blowing bubbles. In the foreground, a young girl with dark hair and bangs is blowing a bubble with a yellow wand. Behind her, a boy is also blowing a bubble. To the right, another child's arm and hand are visible, holding a wand. The background is a soft-focus green, suggesting an outdoor setting with trees. The top half of the page has a white overlay containing the table of contents.

# With Integrity

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# Corporate Governance Statement

The Board is committed to ensure that good corporate governance is practised throughout the Group with the ultimate objective of protecting and enhancing shareholders' value and the financial performance of the Company and of the Group.

The Board is committed to implementing the Malaysian Code on Corporate Governance ("the Code") wherever applicable in the best interest of the shareholders of the Company.

## A. DIRECTORS

### THE BOARD AND ITS RESPONSIBILITIES

The Board leads and controls the Group. It regularly meets to perform its main functions, amongst others, as follows:-

- Setting the objectives, goals and strategic plans for the Group with a view to maximising shareholders' value.
- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies.
- Overseeing the conduct of the Group's businesses to evaluate whether the businesses are properly managed.
- Identifying principal risks of the Group and ensuring the implementation of appropriate systems to mitigate and manage these risks. The Board through the Risk Management Committee, sets, where appropriate, objectives, performance targets and policies to manage the key risks faced by the Group.
- Considering Management's recommendations on key issues including acquisitions, divestments, restructuring, funding and significant capital expenditure.
- Human resources planning and development.
- Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board delegates certain responsibilities to the Board Committees, all of which operate within defined terms of reference.

### BOARD COMPOSITION

During the period under review, the Board consists of 10 members, 3 or 1/3 are Independent Non-Executive Directors. The Board composition reflects a balance of Executive and Non-Executive Directors with a mix

of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, architecture, civil engineering, real estate development and property management. This combination of different professions and skills working together enables the Board to effectively lead and control the Company. The Board composition also fairly reflects the investment in the Company by shareholders other than the significant shareholder.

There is clear segregation of responsibilities between the Executive Chairman and the Managing Directors to ensure a balance of power and authority. The Managing Directors are subject to the control of the Board of Directors. They are responsible for the day-to-day management of the business in accordance with the objectives and strategies established by the Board.

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim is the Senior Independent Non-Executive Director, to whom concerns relating to the affairs of the Group may be conveyed.

A brief profile of each Director is presented on pages 50 to 55 of the Annual Report.

### MEETINGS AND SUPPLY OF INFORMATION

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

The board papers provided include inter alia, financial results, business plan and budget, progress report on the Company's developments, minutes of meetings of Board Committees, regulatory/statutory updates and other operational and financial issues for the Board's information and/or approval.

All Directors are entitled to information pertaining to the Company. In addition, all Directors have direct access to the advice and services of the Company Secretaries. They are also permitted to seek independent advice whenever deemed necessary, at the Company's expense.

There is a formal procedure approved by the Board for all Directors, whether as a full Board or in their individual capacity, to obtain independent professional advice, when necessary, at the Company's expense.



The Board met 8 times during the financial period ended 31 December 2009 and the details of attendance of the Directors are as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	7/8	88
Datuk Razman M Hashim	8/8	100
Ngian Siew Siong	8/8	100
Ngeow Voon Yean	8/8	100
Dato' Ng Tiong Lip	7/8	88
Lim Swe Guan	8/8	100
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	8/8	100
Teo Tong How	7/8	88
Tan Siak Tee	8/8	100
Datin Paduka Low Siew Moi	7/8	88

#### DIRECTORS' TRAINING

During the financial period, all the Directors had attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

The training programmes, seminars and workshops attended by the Directors during the financial period were, inter alia, on areas relating to corporate leadership and governance, risk management, financial reporting, property market, tax planning and investor relations.

#### Training Programmes, Seminars and Workshops attended by Directors

Name of Directors	Course Title / Organiser	Date
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	Sunway Managers' Conference 2008/2009 - "Sustainable Leadership: Lessons from General Electric" (Sunway Group)	7 February 2009
Datuk Razman M Hashim	Sunway Managers' Conference 2008/2009 - "Sustainable Leadership: Lessons from General Electric" (Sunway Group)	7 February 2009
	Evaluating Performance of the Board (The Chartered Institute of Management Accountants)	7 May 2009
Ngian Siew Siong	Sunway Managers' Conference 2008/2009 - "Sustainable Leadership: Lessons from General Electric" (Sunway Group)	7 February 2009
Ngeow Voon Yean	Sunway Managers' Conference 2008/2009 - "Sustainable Leadership: Lessons from General Electric" (Sunway Group)	7 February 2009
	The Economic Crisis of 2008/2009: Precipitator, Impact and Response (Harvard Club of Malaysia and Sunway University College)	16 February 2009

## Corporate Governance Statement

Name of Directors	Course Title / Organiser	Date
Dato' Ng Tiong Lip	The Economic Crisis of 2008/2009: Precipitator, Impact and Response (Harvard Club of Malaysia and Sunway University College)	16 February 2009
Lim Swe Guan	Malaysian REITs – Realising the Potential (Asian Public Real Estate Association)	24 November 2008
	Losing Control – a Board Perspective (Singapore Institute of Directors)	13 October 2009
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	Key Continuing Obligation Requirements for Companies Listed on Bursa Malaysia (Bursatra Sdn Bhd)	13 November 2008
	Executing Overseas Investment Strategies (Bursatra Sdn Bhd)	17 March 2009
	Doing Better Deals (Hume Industries (Malaysia) Berhad)	29 May 2009
	Investor Relations in a Challenging and Uncertain Economic Environment (Bursatra Sdn Bhd)	11 August 2009
Teo Tong How	Professional Talk on Copenhagen Metro Design (Land Transport Authority)	24 June 2009
Tan Siak Tee	Financial Tsunami: How it affects the world (Bank of China (Malaysia) Berhad)	4 December 2008
	Financial Institutions Directors' Education Programme (Bank Negara Malaysia and Perbadanan Insuran Deposit Malaysia)	20 & 21 April 2009, 15 & 16 June 2009, 13 & 14 July 2009, 10 & 11 August 2009
Datin Paduka Low Siew Moi	Economic Forum on Analysis of the Global Economic Meltdown and the Response of the Government of Malaysia and Selangor in respect thereof (Selangor State Development Corporation)	20 November 2008
	Economic Forum on New Policy Framework for Malaysia to Re-start Sustained High Growth (Selangor State Investment Centre Berhad)	4 September 2009
	Corporate Governance: Lessons from Hong Kong (Securities Commission and Bursa Malaysia Berhad)	16 December 2009

All Directors were also constantly updated by the Company Secretary on changes to the relevant guidelines on the regulatory and statutory requirements.



## RE-APPOINTMENT, RETIREMENT BY ROTATION AND RE-ELECTION

The Company's Articles of Association provides that 1/3 of the Board is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire at least once every 3 years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are of or over the age of 70 years shall retire at every Annual General Meeting of the Company and subject to approval being obtained from the shareholders, may offer themselves for re-appointment to hold office until the next Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965. Datuk Razman M Hashim and Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim are subject to such retirement and are eligible for re-appointment at the forthcoming Annual General Meeting of the Company.

To assist the shareholders in their decision, sufficient information such as personal profile, attendance of meetings and the shareholdings of each Director standing for re-election and re-appointment are disclosed in this Annual Report.

## BOARD COMMITTEES

The Board has set up the following Committees and will periodically review their terms of reference and operating procedures. The Committees are required to report to the Board on all their deliberations and recommendations and such reports are incorporated in the minutes of the Board Meetings.

### 1. Audit Committee

The Audit Committee comprising Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim as Chairman, Teo Tong How and Tan Siak Tee, is set up to play an active role in assisting the Board in discharging its governance responsibilities. The composition of the Audit Committee, its terms of reference, attendance of meetings and a summary of its activities are set out on pages 137 to 141 of the Annual Report.

### 2. Executive Committee of the Board ("EXCO")

The EXCO comprises 6 members headed by the Executive Chairman and its primary role is to assist the Board in overseeing the financial and business affairs of the Group. The terms of reference of the EXCO are set out on pages 129 to 131 of the Annual Report.

During the financial period, the EXCO met 8 times. All deliberations and recommendations of the EXCO were reported to the Board for approval.

### 3. Nomination Committee

The Nomination Committee comprises 3 wholly Independent Non-Executive Directors. The Chairman of this Committee is Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim. The other members of the Committee are Teo Tong How and Tan Siak Tee.

The Nomination Committee is responsible for identifying and making recommendations for any appointments and re-election of Board members. The Committee also assesses the effectiveness of the Board as a whole as well as the performance of each Director. The terms of reference of the Nomination Committee are set out on page 132 of the Annual Report.

During the financial period, 3 meetings were held for the following purposes:-

- (a) to endorse the re-appointment of Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim who is over the age of 70 years, as a Director of the Company pursuant to Section 129 of the Companies Act, 1965 subject to the approval of shareholders at the Company's Annual General Meeting and at the Nomination Committee Meeting, Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim abstained from deliberating and voting on his re-appointment;
- (b) to endorse the re-election of Directors retiring by rotation at the Company's Annual General Meeting, subject to the approval of shareholders;
- (c) to endorse the re-election of Dato' Ng Tiong Lip pursuant to Article 77(2) of the Company's Articles of Association at the Company's Annual General Meeting, subject to the approval of shareholders;
- (d) to consider the appointment of Koong Wai Seng as a member of the EXCO in place of Yau Kok Seng; and
- (e) to consider the appointment of Evan Cheah Yean Shin as a member of the EXCO in place of Koong Wai Seng.

### 4. Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors namely Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim as Chairman and Teo Tong How. The other member of the Committee is Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

## Corporate Governance Statement

The Remuneration Committee recommends to the Board the proposed remuneration for Directors and the renewal of the terms of Employment Contracts for Executive Directors, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully. The terms of reference of the Remuneration Committee are set out on page 133 of the Annual Report.

During the financial period, 5 meetings were held for the following purposes:-

- (a) to evaluate the performance of the Executive Directors and to endorse their annual increments and bonuses;
- (b) to consider the renewal of Employment Contracts for the Deputy Executive Chairman and Managing Directors; and
- (c) to consider the revised benefits-in-kind of the Executive Directors.

The Executive Director and Senior Manager of Group Human Resources attended the said meetings on the invitation of the Committee.

### 5. Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee comprising Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Chairman, Datuk Razman M Hashim, Ngian Siew Siong and Ngeow Voon Yean, is responsible for implementing, allocating and administering the ESOS in accordance with such powers and duties conferred upon it under the Bye-Laws of the ESOS. The terms of reference of the ESOS Committee are set out on pages 134 and 135 of the Annual Report.

During the financial period, 2 meetings were held to consider and approve the applications made by employees to continue holding their options due to transfer to a company which is outside the Group and due to resignation from the Group.

### 6. Risk Management Committee ("RMC")

The RMC comprises Ngian Siew Siong as Chairman, Ngeow Voon Yean, Yuen Kam Wah, Lee Weng Keng and Tan Poh Chan.

The RMC is tasked with the responsibility to oversee the risk management activities of the Group, approving appropriate risk management

procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. The terms of reference of the RMC are set out on page 136 of the Annual Report.

During the financial period, 8 meetings were held for the following purposes:-

- (a) to review the enterprise risk profile and divisional risk scorecard for effectiveness of risk management;
- (b) to review the status of implementation of action plans to manage and mitigate the identified risks;
- (c) to discuss the key changes in the business environment and key risk management issues/strategic business risks;
- (d) to discuss and report on any irregularities and proposed key recommendations to mitigate the risks;
- (e) to deliberate on key enterprise-wide risks and the Governance Scorecard; and
- (f) to discuss on the impact of economic uncertainties on the performance of the Group.

The RMC reports directly to the Board on a quarterly basis on its deliberations and recommendations.

## B. DIRECTORS' REMUNERATION

Information prepared by independent consultants and survey data on the remuneration practices of comparable companies are taken into consideration in determining the remuneration packages for Executive and Non-Executive Directors. The remuneration of the Executive Directors is structured on the basis of linking rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities.

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



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

	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	-	276,000.00	276,000.00
Other Emoluments	-	44,000.00	44,000.00
Salaries and other Remuneration	6,324,082.00	-	6,324,082.00
Bonus	1,674,028.00	-	1,674,028.00
Benefits-in-kind	407,332.85	-	407,332.85
Total:	8,405,442.85	320,000.00	8,725,442.85

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

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM100,000	-	5	5
RM450,001 to RM500,000	1	-	1
RM700,001 to RM750,000	1	-	1
RM1,100,001 to RM1,150,000	2	-	2
RM4,800,001 to RM4,850,000	1	-	1
Total:	5	5	10

The details of the Directors' options over ordinary shares pursuant to the Company's ESOS for the financial period ended 31 December 2009 are set out on page 157 of the Annual Report.

## C. SHAREHOLDERS

### DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board values constant dialogue and is committed to clear communication with its shareholders and investors. In this respect, as part of the Group's active investor relations programme, discussions and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance, corporate strategy and other matters affecting shareholders' interests.

During the financial period, the Company had conducted quarterly press and analysts briefings and held 50 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Singapore.

In addition to published Annual Report and Quarterly Reports announced to Bursa Securities, the Group has established a website at [www.sunwaycity.com](http://www.sunwaycity.com) from which investors and shareholders can access for information.

The Company also provides a separate executive summary together with its Annual Report, highlighting key financial information to facilitate shareholders' easy access to such key information.

While the Company endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. To achieve this, the Board had approved and adopted a Corporate Disclosure Policy which outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours and restrictions on insider trading. This Policy also provides guidance and structure in disseminating corporate information to, and in dealing with investors, analysts, media and the investing public.

## Corporate Governance Statement

### INVESTOR RELATIONS SERVICE

The Group's website has a section dedicated to investor relations which provides detailed information on the Group's businesses and latest developments. Any enquiries on investor related matters may be directed to this email address, [irsuncity@sunway.com.my](mailto:irsuncity@sunway.com.my) or may also be conveyed to the following persons:-

1. Ms Tan Poh Chan  
Chief Financial Officer  
Tel No : (603) 5639 9668  
Fax No : (603) 5639 9559  
Email : [tanpc@sunway.com.my](mailto:tanpc@sunway.com.my)
2. Mr Jared Tan  
Executive - Investor Relations  
Tel No : (603) 5639 9289  
Fax No : (603) 5639 9559  
Email : [jaredt@sunway.com.my](mailto:jaredt@sunway.com.my)

### ANNUAL GENERAL MEETING

The Annual General Meeting of the Company provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional at general meetings on clarifications of pertinent and relevant information is encouraged.

### D. ACCOUNTABILITY AND AUDIT

#### FINANCIAL REPORTING

In presenting the annual financial statements, annual report and quarterly announcement of results to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's financial position, performance and prospects. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

#### INTERNAL CONTROL

The Statement on Internal Control set out on pages 142 and 143 of the Annual Report provides an overview of the state of internal controls within the Group.

#### RELATIONSHIP WITH EXTERNAL AUDITORS

The Board maintains, via the Audit Committee, an active, transparent and professional relationship with the External Auditors. The role of the Audit Committee in relation to the External Auditors is disclosed in the Audit Committee Report set out on pages 137 to 141 of the Annual Report.

In addition, the External Auditors are invited to attend the Company's Annual General Meeting and are available to answer any questions from shareholders on the Annual Audited Financial Statements.

### E. DIRECTORS' RESPONSIBILITY STATEMENT ON ANNUAL AUDITED FINANCIAL STATEMENTS

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

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

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

### F. COMPLIANCE WITH THE CODE

The Group has complied substantially with the principles and best practices outlined in the Code.

**This Corporate Governance Statement was approved by the Board of Directors on 25 February 2010.**

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



# Terms Of Reference Of Executive Committee Of The Board

129

The management of the Company shall be carried out by the Board through an Executive Committee ("EXCO") whose members (who need not be Directors) shall be appointed by and under the control of the Board. The EXCO shall be responsible for overseeing any and all affairs of the Company's business.

1. The EXCO shall consist of 6 members, with 1 member designated by the Government of Singapore Investment Corporation Pte Ltd ("GIC").
2. The EXCO will establish a regular meeting schedule and will use its best efforts to meet at least once every quarter. All members of the EXCO shall use their best efforts to attend every meeting in person.
3. Each member of the EXCO will be provided with a regular report pertaining to the status of financial and business affairs of the Company and its subsidiaries. The regular report on the Company as well as each of the Company's subsidiaries shall be in a format accepted by the EXCO, and shall be provided at least on a monthly basis. The report shall capture all material or substantial transactions which took place within the quarterly period (or other prescribed period as the EXCO shall request) and shall be received by the EXCO within 30 days from the end of such period. The financial statements shall be given to the EXCO within 7 days after the financial statements have been submitted to Bursa Malaysia Securities Berhad. The EXCO may also, at any time, request for a report on any transaction and the Company shall provide such a report within a reasonable period after such request.
4. Any member of the EXCO may at any time call a meeting of the EXCO by giving at least 7 days prior written notice or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose; and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.
5. A quorum shall exist when a majority of the members of the EXCO are present in person or represented by proxy, provided that GIC shall be present in person or represented by proxy at that meeting. Where quorum is not satisfied, the meeting shall be adjourned to a later date ("adjourned meeting"). Notice of the adjourned meeting shall be given to all members in writing at least 2 working days before the date of the adjourned meeting. Should a quorum not be satisfied at the adjourned meeting, any member attending may declare a "deadlock" which shall be dealt with under Clause 9 below. In the event where GIC fails to attend in person or by proxy at the first meeting of the EXCO or at the adjourned meeting thereof, GIC's right to be considered in determining the quorum for the said EXCO meeting shall be forfeited and the said meeting shall proceed without GIC.
6. All decisions and/or actions by the EXCO shall require a simple majority vote of all members who attended and voted at the meeting, but must include GIC in the said majority, unless GIC abstains from voting. Where (i) a simple majority as provided herein is not achieved, (ii) GIC voted against the majority, or (iii) the member's votes are evenly divided, any member present at the meeting may declare a "deadlock", which shall be dealt with under Clause 9 below.
7. The EXCO will cause minutes of all meetings to be prepared, circulated and signed by all members of the EXCO within 10 days of the date of the meeting.
8. A resolution in writing signed by all the members of the EXCO shall be as valid and effective as a resolution passed at a meeting of the EXCO duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of the members. The expressions 'in writing' and 'signed' include approval by telefax or telex by any such members, which approval shall be confirmed in writing by such member thereafter. The duly signed resolution shall be placed in the minute book of the EXCO.
9. In the event of a deadlock among the members of the EXCO, any member may refer the matter in question to the Board for decision.
10. Any of the following matters shall require the approval of the EXCO in accordance with Clause 6 above:-
  - (a) Entry into any joint venture, partnership or profit sharing agreement by the Company.
  - (b) The approval of the annual operating and capital budget ("Annual Budget") or the Business Plan for the Company and its related corporations as defined in the Companies Act, 1965 (hereinafter referred to as "Group Company/Group Companies") for each financial year of the Group Company (including any amendments, modifications, addendum or additions thereto).
  - (c) Acquisition and/or disposal of, or investment in any undertaking, asset or share by a Group Company, accepting any form of additional liability and/or entering into any contract other than in the ordinary course of business, except as contemplated herein.
  - (d) Entering into any contract (or series of contracts), or any amendment to an existing contract involving payments by or to the Company or any shareholder over the life of the contract or amendment in excess of RM1,000,000 (or its equivalent in another currency), except as provided in the Annual Budget or Business Plan of the Company.

## Terms Of Reference Of Executive Committee Of The Board

- (e) Increasing or reducing the authorised or issued share capital of a Group Company (other than permitted in an Annual Budget approved in accordance with paragraph (b) above) or the issue or grant of any option over the unissued share capital of a Group Company or the issue of any new class of shares in the capital of a Group Company.
- (f) The creation of any mortgage, charge or other encumbrance over each Group Company's property or assets.
- (g) The exercise of each Group Company's powers to provide guarantees or indemnities.
- (h) In respect of each Group Company, the acquisition or disposal, or the agreement to acquire or dispose of any interest in any land or real property wheresoever situated and of whatsoever description, or the acquisition, incorporation or establishment of any corporation having an interest in land or real property by a Group Company other than in the ordinary course of business.
- (i) Any amalgamation or reconstruction of a Group Company, or any merger of a Group Company with any corporation, firm or other body.
- (j) The dissolution, liquidation or winding-up of a Group Company.
- (k) The declaration or payment of any dividends or other distribution of profits of each Group Company (whether in cash or specie).
- (l) The adoption of, or any significant change in the accounting policies of each Group Company, other than as required by law or accounting policies generally accepted in the jurisdiction applicable to such Group Company from time to time.
- (m) Granting any rights by the Company to subscribe for or to convert shares, debentures or other securities into share capital, ranking in priority to or *pari passu* with the Preference Shares as regards participation in assets of the Company or being capable of being redeemed while any of the Preference Shares are in issue or the variation of the rights of any class of shares other than the issue and allotment of any such shares for the purpose of applying the proceeds thereof in or towards converting the Preference Shares in accordance with the Share Subscription Agreement dated 13 October 1999 between the Company and Reco Loop Pte Ltd.
- (n) Issuing any Ordinary Shares by the Company or granting any rights by the Company to subscribe for or to convert shares, debentures or other securities into Ordinary Shares.
- (o) Repaying all or any part of the capital paid-up on any share in the capital of the Company (other than a payment in the course of a winding-up of the Company) including the share premium account and the capital redemption reserve of the Company.
- (p) Reducing all or any part of the share capital of the Company or any uncalled liability in respect thereof or any share premium account or capital redemption reserve of the Company if the reduction involves either the diminution of liability in respect of unpaid share capital or the repayment to any member of any paid-up share capital.
- (q) Adding to, deleting, varying or amending its Memorandum and Articles of Association in any manner which would be inconsistent with the rights of the holders of the Preference Shares.
- (r) Modifying, varying or abrogating the rights attached to the Preference Shares and/or Ordinary Shares.
- (s) Creating, incurring, assuming or suffering to exist any indebtedness due or owing or to be owing to the shareholders or subsidiaries of the Company.
- (t) Making or permitting (whether by inaction or otherwise) any of its subsidiaries to make any new investments, or acquiring or permitting (whether by inaction or otherwise) any of its subsidiaries to acquire any asset in one transaction or a series of transactions for an aggregate amount exceeding RM5,000,000 in any year.
- (u) Issuing or providing or permitting (whether by inaction or otherwise) any of its subsidiaries to issue or provide any form of guarantee, indemnity or other financial or non-financial support which may result in the Company or any of its subsidiaries incurring any liability in connection with any loans, credit facilities or any other financing required by any associate or subsidiary of the Company.



- (v) Conveying, selling, leasing, transferring or otherwise disposing or permitting (whether by inaction or otherwise) any of its subsidiaries to convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its or their business or assets whether now owned or hereafter acquired for any aggregate amount exceeding RM1,000,000 in any year except for the sale of assets by its wholly-owned subsidiaries at arm's length on commercial terms in the ordinary course of business where the proceeds of sale are to be paid by that subsidiary to the Company whether by way of dividend or a long-term loan or loans to be extended by that subsidiary to the Company in terms that all interest, principal and all other payments are to be subordinated in priority of payment to the conversion of all the Preference Shares.
  - (w) Releasing, surrendering, reducing, waiving, amending or varying or permitting (whether by inaction or otherwise) any of its subsidiaries to release, surrender, reduce, waive, amend or vary any amount of indebtedness other than such indebtedness not exceeding RM500,000 in any one year subject to an aggregate overall limit not exceeding RM1,000,000 at any time owed to it or them by any person or the terms upon which the same is outstanding and in particular, agreeing to or permitting (whether by inaction or otherwise) any of its subsidiaries to agree to the capitalisation of any such indebtedness, whether by conversion or exchange of the same or any part thereof into or for share capital in the company which owes the same or otherwise.
  - (x) Changing or threatening to change or permitting (whether by inaction or otherwise) any of its subsidiaries to change or threaten to change the nature or scope of its or their business operations which it or its subsidiaries conduct as at the Issue Date or permit (whether by inaction or otherwise) any of its subsidiaries to suspend or threaten to suspend a substantial part of the business operations which it or its subsidiaries conduct directly or indirectly as at the Issue Date.
11. The rights of GIC shall be automatically extinguished at any time when GIC's aggregate shareholding (including Preference Shares) is reduced to the extent that it is less than 10% of the then issued and paid-up share capital in the Company (including the Preference Shares as if such Preference Shares have been converted to Ordinary Shares in accordance with the Share Subscription Agreement and/or the Articles of Association).

# Terms Of Reference Of Nomination Committee

## 1. MEMBERSHIP

- (a) The Nomination Committee shall be appointed by the Board from among their number and shall comprise not fewer than 3 in number.
- (b) The majority of the members of the Committee shall be independent non-executive Directors.
- (c) The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company.
- (d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.
- (e) To consider in making its recommendations, candidates for directorships proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- (f) To recommend to the Board, Directors or officers of the Company to fill the seats on Board Committees.
- (g) To undertake an annual review of the required mix of skills and experience and other qualities of Directors, including core competencies which Non-Executive Directors should bring to the Board and to disclose this in the Annual Report.
- (h) To assist the Board to implement a procedure to be carried out by the Nomination Committee annually for assessing the effectiveness of the Board as a whole, the Committees of the Board and for assessing the contributions and performance of Directors and Board of Committee members.
- (i) To introduce such regulations or guidelines, procedures to function effectively and fulfill the Committee's objective.

## 2. AUTHORITY

- (a) The Nomination Committee is entrusted with the task of proposing new nominees for the Board and for assessing existing Directors on an on-going basis.
- (b) The ultimate decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of such a Committee.

## 3. FUNCTIONS

- (a) To determine the core competencies and skills required of Board members to best serve the business and operations of the Group as a whole and the optimum size of the Board to reflect the desired skills and competencies.
- (b) To review the size of Non-Executive participation, Board balance and determine if additional Board members are required and also to ensure that at least 1/3 of the Board is independent.
- (c) To recommend to the Board on the appropriate number of Directors to comprise the Board which should fairly reflect the investments of the minority shareholders in the Company, and whether the current Board representation satisfies this requirement.
- (d) To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.

## 4. MEETINGS

- (a) The Committee shall meet at least once a year. However, additional meetings may be called at any time at the Nomination Committee Chairman's discretion.
- (b) The quorum for the meeting shall be 2 members.

## 5. REPORTING

The Chairman of the Committee shall report on each meeting to the Board.

## 6. SECRETARY

The Secretary to the Committee shall be the Company Secretary.

## 1. OBJECTIVES

The Remuneration Committee shall:-

- (a) Ensure that the Company's Executive Directors are fairly rewarded for their individual contributions to the Company's overall performance and the levels of remuneration should be sufficient to attract and retain Directors to run the Company successfully.
- (b) Demonstrate to all stakeholders in the business that the remuneration of the Executive Directors of the Company is set by a Committee of Board members who have no personal interest in the outcome of their decisions and who will give due regard to the interests of the stakeholders and to the financial and commercial health of the Company.
- (c) Ensure that a fair differential between the remuneration of Board members and other levels of management is maintained.
- (d) Conduct continued assessment of individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance.
- (e) Obtain the advice and information from external source, if necessary, to compare the remuneration currently earned by the Executive Directors and those paid to Executive Directors of other companies of a similar size in a comparable industry sector.
- (f) To ensure that the base salary element is competitive but fair.
- (g) To advise on and monitor, a suitable performance related formula ie. whether the formula is based on individual performance, company profit performance, earnings per share, etc.
- (h) To provide an objective and independent assessment of the benefits granted to Executive Directors.
- (i) To introduce any policy or guidelines which would enable the smooth administration and effective discharge of the Committee's duties and responsibilities.
- (j) To furnish a report to the Board of any findings of the Committee.

## 2. MEMBERSHIP

- (a) The Committee shall be appointed by the Board from among their number and shall be composed of not fewer than 3 in number.
- (b) The majority of the members comprising the Committee shall be:-
  - (i) Non-Executive Directors of the Company; or
  - (ii) any person not having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Remuneration Committee.
- (c) The members of the Committee shall elect a Chairman from among their number who is not an Executive Director of the Company.
- (d) In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.

## 3. FUNCTIONS

- (a) To recommend to the Board the remuneration of the Executive Chairman, Chief Executive Officer and Executive Directors.
- (b) Assume responsibility for all elements of Executive Directors' remuneration eg:
  - (i) Basic salary
  - (ii) Profit sharing schemes (if any)

## 4. MEETINGS

- (a) The Committee shall meet at least once per year. However, additional meetings may be called at any time at the Remuneration Committee Chairman's discretion.
- (b) The quorum of each meeting shall be 2 members.

## 5. SECRETARY

The Secretary to the Committee shall be the Company Secretary or Senior General Manager of Human Resource.



# Terms Of Reference Of Employees' Share Option Scheme Committee

## 1. MEMBERSHIP

- (a) The Committee shall be appointed by the Board from among their number and shall be composed of not fewer than 3 in number.
- (b) The members of the Committee shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the Committee resulting in the number of members being reduced to below 3, the Board shall, within 3 months fill the vacancy.
- (d) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the Committee.

## 2. FUNCTIONS

Pursuant to Bye-Law 21, the Committee shall administer the Employees' Share Option Scheme ("ESOS") in such manner as it shall in its discretion deem fit and with such powers and duties as are conferred upon it by the Board including the powers:-

- (a) Subject to the provisions of the ESOS, to construe and interpret the ESOS and option(s) granted under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the ESOS and its administration. The Committee in the exercise of this power may correct any defect, supply any omission or reconcile any inconsistency in the ESOS or in any agreement providing for an option(s) in a manner and to the extent it shall deem necessary to expedite and make the ESOS fully effective.
- (b) To determine all questions of policy and expediency that may arise in the administration of the ESOS and generally exercise such powers and perform such acts as are deemed necessary or expedient to promote the best interests of the Company.

## 3. POWERS AND AUTHORITY

- 3.1 Pursuant to Bye-Law 4.1, the Committee has the discretion to offer such number of options to eligible employees in accordance with the ESOS after taking into consideration the contribution, performance, number of years of service and the potential worth of the employees to the continued success of the Group.
- 3.2 Pursuant to Bye-Law 8.6, the Committee shall have the right at its discretion by notice in writing to that effect:-
  - (a) to suspend the right of any Option Holder who is found to have contravened the written policies and guidelines of the Group and/or the terms and conditions of the Option Holder's employment (whether or not such contravention may give rise to a disciplinary proceeding being instituted) to exercise his option(s). In addition to this right of suspension, the Committee may impose such terms and conditions as the Committee shall deem appropriate in its discretion, on the right of exercise of his option(s) having regard to the nature of the contravention PROVIDED ALWAYS that in the event such contravention would result in the dismissal or termination of service of such Option Holder, the option(s) shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Option Holder; OR
  - (b) to suspend the right of any Option Holder who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such Option Holder) to exercise his option(s) pending the outcome of such disciplinary proceedings. In addition to this right of suspension, the Committee may impose such terms and conditions as the Committee shall deem appropriate in its discretion, on the right of exercise of his option(s) having regard to the nature of the charges made or brought against such Option Holder, PROVIDED ALWAYS that:-

- (i) in the event such Option Holder is found not guilty of the charges which gave rise to such disciplinary proceedings, the Committee shall reinstate the right of such Option Holder to exercise his option(s); or
    - (ii) in the event such Option Holder is found guilty resulting in the dismissal or termination of service of such Option Holder, the option(s) shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Option Holder; or
    - (iii) in the event such Option Holder is found guilty but not dismissed or termination of service is recommended, the Committee shall have the right to determine at its discretion whether or not the Option Holder may continue to exercise his option(s) and if so, to impose such terms and conditions as it deems appropriate, on such exercise.
  - 3.3 Bye-Law 20.1 stipulates that the Committee may at any time and from time to time recommend to the Board, any additions or amendments to and/or deletions of the Bye-Laws as it shall in its absolute discretion think fit and the Board shall have the power by resolution to add to, amend and/or delete all or any of the Bye-Laws upon such recommendation, or such part thereof as they may deem fit, subject to the approval of all relevant authorities and all applicable laws, regulations, directives and guidelines (if required) PROVIDED THAT no such amendment and/or modification shall be made which would either:-
    - (a) prejudice the rights then accrued to any Option Holder who has accepted an option without his prior consent; or
    - (b) without the prior approval of the shareholders of the Company in general meeting alter the Bye-Laws to the advantage of any Option Holder or group of Option Holders or all Option Holders.
  - 3.4 Such other authorities as governed by the Bye-Laws and/or are conferred upon the Committee by the Board from time to time.
- #### 4. MEETINGS
- (a) Meetings of the Committee may be called at any time by the Committee Chairman.
  - (b) The quorum for the meeting shall be 2 members.
  - (c) Where necessary and appropriate, any decision of the Committee can be made by a majority of the members via a Circular Resolution.
- #### 5. REPORTING
- The Chairman of the Committee shall report the proceedings of each Committee Meeting to the Board.
- #### 6. SECRETARY
- The Secretary to the Committee shall be the Company Secretary.

# Terms Of Reference Of Risk Management Committee

## 1. MEMBERSHIP

- (a) The Risk Management Committee ("RMC") shall be appointed by the Board and shall comprise not fewer than 5 in number.
- (b) The members of the RMC shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the RMC resulting in the number of members being reduced to below 5, the Board shall, within 3 months fill the vacancy.
- (d) The Board shall have the discretion as it deems fit to rescind and/or revoke the appointment of any person(s) in the RMC.

## 2. ROLES AND FUNCTIONS

The RMC has the overall responsibility for overseeing the risk management activities of the Group, approving appropriate risk management procedures and measurement methodologies across the organisation as well as identification and management of strategic business risks of the Group. Its primary roles include the following:-

- (a) To champion and promote the Enterprise Risk Management (i.e. risk awareness and training) and to ensure that the risk management process and culture are embedded throughout the Group.
- (b) To ensure the implementation of the objectives outlined in the Risk Management Policy and compliance with them.
- (c) To provide routine quarterly reporting and update the Board on key risks together with their mitigation plan as well as ad hoc reporting and evaluation on investment proposals.
- (d) To work with the Group Financial Controller and Group Internal Audit Department in the preparation of the Statement on Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approvals of the Audit Committee and Board.

The Risk Working Committee ("RWC") and the Group Risk Management Division will assist the RMC by identifying and managing operational risks within the organisation.

The RWC provides updates on key risks together with their mitigation plan to the RMC through quarterly reporting.

### 2.1 Routine Roles and Responsibilities

- (a) Review the effectiveness of overall risk management at the enterprise level.
- (b) Evaluate new risks identified by the RWC on the divisional level.
- (c) Follow-up on management action plans based on the status of implementation compiled by the RWC.
- (d) Identify new strategic risks including corporate matters e.g. regulatory, business development, etc.
- (e) Review the enterprise risk scorecard and determine the risks to be escalated to the Board on a quarterly basis.

### 2.2 Ad Hoc Roles and Responsibilities

- (a) Propose to the Board, the monetary threshold and nature of proposed investments that require the RMC's evaluation and endorsement before submission to the Board.
- (b) Review proposals/feasibility studies prepared by project sponsor which meet the requisite threshold before recommending to the Board for final decision.

## 3. MEETINGS

- (a) The RMC shall meet at least quarterly in a year. However, additional meetings may be called at any time at the RMC Chairman's discretion.
- (b) The quorum for the meeting shall be 3 members.

## 4. REPORTING

The Chairman of the RMC shall report the proceedings of each Committee Meeting to the Board.

## 5. SECRETARY

The Secretary to the RMC shall be the Company Secretary.



**FORMATION**

The Audit Committee was formed by the Board of Directors at its meeting held on 29 March 1996.

The objective of the Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities relating to internal controls, financial and accounting records and policies as well as financial reporting practices of the Company and its subsidiaries ("the Group").

**COMPOSITION**

The members of the Audit Committee during the financial period ended 31 December 2009 were as follows:-

1. Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim - Chairman  
(Senior Independent Non-Executive Director)
2. Teo Tong How  
(Independent Non-Executive Director)
3. Tan Siak Tee  
(Independent Non-Executive Director)

**MEETINGS AND ATTENDANCE**

The Audit Committee held 7 meetings during the financial period and the details of attendance of the Committee Members are as follows:-

Name of Committee Member	Number of Meetings Attended
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	7/7
Teo Tong How	6/7
Tan Siak Tee	7/7

The Chief Financial Officer, Managing Director - Property Development and Internal Auditors were invited to all the meetings held. At 4 of the meetings, the External Auditors were present.

**TERMS OF REFERENCE****1. Membership**

- 1.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than 3 members.
- 1.2 All members of the Committee must be non-executive Directors, a majority of whom are Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- 1.3 The members of the Committee should be financially literate and shall include at least 1 person:-
  - (a) who is a member of the Malaysian Institute of Accountants; or
  - (b) who must have at least 3 years' working experience and:-
    - (i) have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - (ii) is a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
  - (c) who must have at least 3 years' post qualification experience in accounting or finance and:-
    - (i) has a degree/masters/doctorate in accounting or finance; or
    - (ii) is a member of one of the professional accountancy organisations which has been admitted as a full member of the International Federation of Accountants; or
  - (d) who must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

## Audit Committee Report

- 1.4 No Alternate Director shall be appointed as a member of the Committee.
- 1.5 The members of the Committee shall elect a Chairman from amongst their number, who shall be an Independent Director.
- 1.6 If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2 or 1.3 above, the Board must fill the vacancy within 3 months.
- 1.7 The terms of office and performance of the Committee and each of its members shall be reviewed by the Board no less than once every 3 years. However, the appointment terminates when a member ceases to be a Director.
- 2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.7 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 2.8 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 2.9 In addition to the availability of detailed minutes of the Committee Meetings to all Board members, the Committee at each Board Meeting, will report a summary of significant matters and resolutions.

### 2. Meetings

- 2.1 The quorum for a Committee Meeting shall be at least 2 members, the majority present must be Independent Directors.
- 2.2 The Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide.
- 2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4 The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- 2.5 The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the External Auditors without the presence of the executive board members.

### 3. Rights And Authority

The Committee is authorised to:-

- 3.1 Investigate any matter within its terms of reference.
- 3.2 Have adequate resources required to perform its duties.
- 3.3 Have full and unrestricted access to information, records and documents relevant to its activities.
- 3.4 Have direct communication channels with the External and Internal Auditors.
- 3.5 Engage, consult and obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary.
- 3.6 Convene meetings with the External Auditors, Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

#### 4. Functions And Duties

- 4.1 To review and recommend for the Board's approval, the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.
- 4.2 To review the following and report to the Board:-
  - (a) With the External Auditors:-
    - (i) the audit plan and audit report and the extent of assistance rendered by employees of the Auditee;
    - (ii) their evaluation of the system of internal controls;
    - (iii) the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors;
    - (iv) the management letter and management's response; and
    - (v) issues and reservations arising from audits.
  - (b) With the Internal Audit Department:-
    - (i) the adequacy and relevance of the scope, functions, competency and resources of Internal Audit and the necessary authority to carry out its work;
    - (ii) the audit plan of work programme and results of internal audit processes including recommendations and actions taken;
    - (iii) the extent of cooperation and assistance rendered by employees of Auditee; and
    - (iv) the appraisal of the performance of the internal audit including that of the senior staff and any matter concerning their appointment and termination.
  - (c) The quarterly results and year end financial statements prior to the approval by the Board, focusing particularly on:-
    - (i) changes and implementation of major accounting policies and practices;
    - (ii) significant and unusual issues;
    - (iii) going concern assumption; and
    - (iv) compliance with accounting standards, regulatory and other legal requirements.
  - (d) The major findings of investigations and management response.
  - (e) The propriety of any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- 4.3 To report any breaches of the Listing Requirements which have not been satisfactorily resolved, to Bursa Securities.
- 4.4 To prepare the Audit Committee Report for inclusion in the Company's Annual Report covering:-
  - (a) the composition of the Committee including the name, designation and directorship of the members;
  - (b) the terms of reference of the Committee;
  - (c) the number of meetings held and details of attendance of each member;
  - (d) a summary of the activities of the Committee in the discharge of its functions and duties; and
  - (e) a summary of the activities of the internal audit function.
- 4.5 To review the following for publication in the Company's Annual Report:-
  - (a) the disclosure statement of the Board on:-
    - (i) the Company's applications of the principles set out in Part I of the Malaysian Code on Corporate Governance; and
    - (ii) the extent of compliance with the best practices set out in Part II of the Malaysian Code on Corporate Governance, specifying reasons for any area of non-compliance and the alternative measures adopted in such areas.



## Audit Committee Report

- (b) the statement on the Board's responsibility for the preparation of the annual audited financial statements.
- (c) the disclosure statement on the state of the internal controls system of the Company and of the Group.
- (d) the statement by the Audit Committee on the verification of allocation of share options to the Group's eligible employees in compliance with the criteria set out in the Bye-Laws of the Company's Employees' Share Option Scheme, at the end of each financial year.
- (e) other disclosures forming the contents of annual report spelt out in Part A of Appendix 9C of the Listing Requirements of Bursa Securities.
- (c) Reviewed with the assistance of the Internal Audit Department and management, the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.
- (d) Reviewed with the External Auditors, the audit plan of the Company and of the Group for the period (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and management responses) prior to the commencement of the annual audit.
- (e) Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the External Auditors without the presence of management staff and the executive board member.
- (f) Reviewed the financial statements, the audit report, issues and reservations arising from statutory audit with the External Auditors.

The above functions and duties are in addition to such other functions as may be agreed to from time to time by the Committee and the Board.

### 5. Internal Audit Department

- 5.1 The Head of the Internal Audit Department shall have unrestricted access to the Committee Members and report to the Committee whose scope of responsibility includes overseeing the development and the establishment of the internal audit function.
- 5.2 In respect of routine administrative matters, the Head of Internal Audit Department shall report to the Group Executive Chairman or his designate.

- (g) Reviewed and discussed the Management Accounts with management.
- (h) Reviewed the quarterly results and financial statements with management and the External Auditors for recommendation to the Board of Directors for approval and release to Bursa Securities.
- (i) Reviewed all recurrent related party transactions entered into by the Company and the Group at the Committee's quarterly meetings to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- (j) Reviewed and approved the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and the proposed authority for the purchase of own shares by the Company as well as the statements by the Audit Committee in respect of the proposed shareholders' mandate for recurrent related party transactions.
- (k) Reviewed any conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (l) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.

### SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial period ended 31 December 2009 included the following:-

- (a) Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audit processes with the Internal Audit Department.
- (b) Reviewed the audit activities carried out by the Internal Audit Department and the audit reports to ensure corrective actions were taken in addressing the risk issues reported.

- (m) Reported to the Board on significant issues and concerns discussed during the Committee's meetings together with applicable recommendations. Minutes of meetings were tabled, discussed and noted by all Board members.
- (n) Reviewed and approved the Audit Committee Report for inclusion in the Company's 2008 Annual Report.
- (o) Reviewed the disclosure statements on compliance of the Malaysian Code on Corporate Governance and the state on internal controls as well as the Directors' Responsibility Statement on the annual audited financial statements for inclusion in the Company's 2008 Annual Report.
- (p) Reviewed and discussed the performance of the Finance Shared Services Centre in delivering accurate accounting reports in a timely manner.
- (c) Issued audit reports to the Committee and management identifying weaknesses and issues as well as highlighting recommendations for improvements.
- (d) Acted on suggestions made by the Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
- (e) Followed up on management corrective actions on audit issues raised by the External Auditors.
- (f) Reported to the Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- (g) Reviewed on the appropriateness of the disclosure statements in regard to compliance with the Malaysian Code on Corporate Governance and the state on internal controls as well as the Audit Committee Report.

#### AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial period ended 31 December 2009 are set out in the Corporate Governance Statement under "Directors' Training".

#### INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function is performed in-house and undertaken by the Group's Internal Audit Department. During the financial period ended 31 December 2009, the Internal Audit Department carried out the following activities:-

- (a) Prepared the annual audit plan for the approval of the Audit Committee.
- (b) Regularly performed risk based audits on strategic business units of the Company and of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.

- (h) Attended the Committee's meetings to table and discuss the audit reports and followed up on matters raised.
- (i) Performed independent evaluation on the operation of risk management framework focusing primarily on the adequacy and effectiveness of the said framework.

The costs incurred for the internal audit function in respect of the financial period ended 31 December 2009 amounted to RM1,541,091.

# Statement on Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of public listed companies should maintain a sound system of internal control to safeguard shareholders' investment and Group assets. Set out below is the Board of Directors ("the Board") of SunCity's ("the Group") Statement on Internal Control as a Group, made in compliance with Paragraph 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

## THE BOARD'S RESPONSIBILITY

The Board places importance on, and is committed to maintaining a sound system of internal control and effective risk management practices in the Group to ensure good corporate governance. The Board affirms its responsibility for reviewing the adequacy and integrity of the Group's system of internal control and management information systems, including systems for compliance with applicable laws, rules, directives, guidelines and risk management practices.

Notwithstanding, as with any internal control system, the Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, therefore, that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

## THE GROUP'S SYSTEM OF INTERNAL CONTROL

### Monitoring Mechanisms and Management Style

Scheduled periodic meetings of the Board, Executive Committee, Board Committees and management represent the main platform by which the Group's performance and conduct are monitored. The daily running of the business is entrusted to the Managing Directors ("MDs") and their respective management teams. Under the purview of the Executive Chairman and MDs, the heads of the respective operating subsidiaries and departments of the Group are empowered with the responsibility of managing their respective operations.

The MDs actively communicate the Board's expectations to management at the management meetings as well as through attendance at various project meetings/owners meetings. At these meetings, operational and financial risks are discussed and dealt with.

The Board is responsible for setting the business direction and for overseeing the conduct of the Group's operations through its various Board Committees and management reporting mechanisms. Through these mechanisms, the Board is informed of all major control issues pertaining to internal controls, regulatory compliance and risk taking.

### Enterprise Risk Management

In dealing with its stewardship responsibilities, the Board recognises that effective risk management is part of good business management practice. The Board acknowledges that all areas of the Group's activities involve some degree of risk and is committed to ensuring that the Group has an effective risk management framework which will allow the Group to be able to identify, evaluate and manage risks that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner.

The details on Enterprise Risk Management are set out on pages 144 to 147 of the Annual Report.

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

The current system of internal control in the Group has within it, the following key elements:-

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- The Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- Board approved annual budgets and management plans prepared by each subsidiary during the Business Plan exercise to consider the relevant strengths, weaknesses, opportunities and threats including competitor, market and broader environmental analysis.
- Relevant Board Committees with formal terms of references clearly outlining their functions and duties delegated by the Board.



- Comprehensive policies and procedures manuals for all major operating units that provide guidelines on, and authority limits over various operating, financial, human resources and health and safety matters.
- The use of the intranet as an effective means of communication and knowledge sharing.
- Regular divisional management meetings involving the review of the Group's operations, financial performance, human resources matters and business plan.
- Communication of policies and guidelines in relation to human resources matters to all employees through a staff handbook which is also available on the intranet.
- A systematic performance appraisal system for all levels of staff.
- Relevant training provided to personnel across all functions to maintain a high level of competency and capability.
- Continuous quality improvement initiatives such as ISO 9001:2000 certification.
- An internal audit function which carries out internal audits based on an annual risk-based audit plan approved by the Audit Committee ("AC").

#### Assurance Mechanisms

The AC is tasked by the Board with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. In carrying out its responsibilities, the AC relies significantly on the support of the Group Internal Audit Department ("GIAD") which carries out internal audits on various operating units within the Group based on a risk-based audit plan approved annually by the AC.

Based on these audits, the GIAD provides the AC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. In addition, the AC also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

Additionally, as part of the requirements of the ISO 9001:2000 certification accredited to the Group's property development activities and Sunway Medical Centre Berhad, scheduled audits are conducted internally as well as by auditors of the relevant certification bodies. Results of the audits are reported to management.

The AC Report is set out on pages 137 to 141 of the Annual Report.

#### THE BOARD'S COMMITMENT

The Board recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to support its business objectives. To this end, the Board remains committed towards maintaining a sound system of internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

#### THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's internal control system and risk management practices are able to meet the Group's objective to ensure good corporate governance. There was no material control failure or weakness that would have material adverse effect on the results of the Group for the period under review.

**This Statement on Internal Control was approved by the Board of Directors on 25 February 2010.**

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

# Enterprise Risk Management

Strong risk management forms an integral part of all the businesses within the SunCity Group. Risk management, being an essential component in maintaining a high quality and sustainable business for our shareholders, helps to effectively and efficiently deliver the core purposes and strategies of the Group.

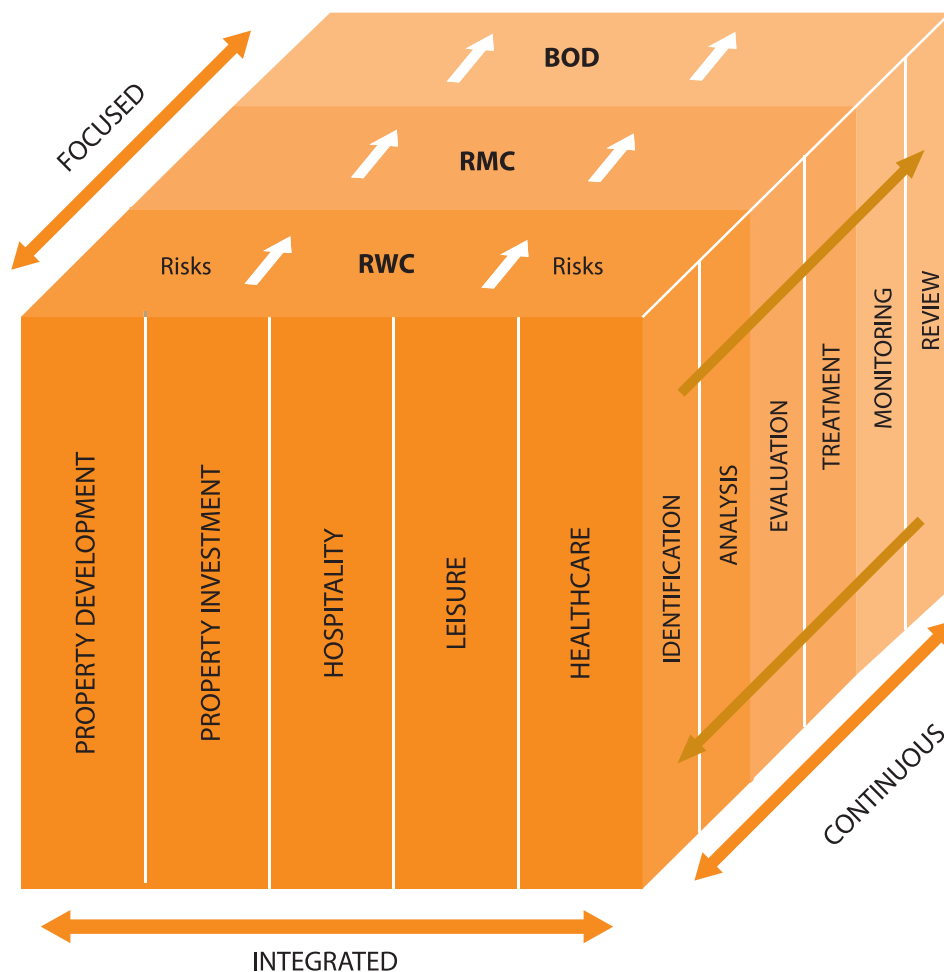
Systematically identifying and dealing with significant threats to which a company is exposed, has been a part of good corporate governance in SunCity and this has helped to prevent any significant negative impact, especially in times when the current economic scenario has a destabilising effect on corporate strategies and performances globally. The destabilised market conditions during the last 12 months have provided a strong test on the robustness of our risk management processes.

The Enterprise Risk Management ("ERM") at SunCity is:-

**Integrated :** The ERM process has been integrated into the culture of SunCity and also into the policies and procedures implemented within the Group. This integrated approach allows a holistic view of the Group's risks and enables an alignment of risks of various businesses to the strategic objectives of the Group.

**Focused :** The focus of ERM within the Group is to deal with operational risks at the Business Unit's level and strategic risks at the Board of Directors' level. Focusing on the various levels of risks helps in early identification and mitigation of the risks before they create a catastrophic effect on the operations of the Group.

**Continuous :** ERM is a continuous process of identifying, analysing, evaluating, mitigating, monitoring and reviewing the risks surrounding the organisation's activities.



**RISK MANAGEMENT FRAMEWORK AND PROCESS**

Our approach to risk management is to identify, monitor and evaluate risks throughout the Group and to move from the concept of a short-term risk management view ("Protect Value") to a long-term view of managing risks to ensure sustainability and growth of the Group ("Stabilise Value").

There are 3 major focus areas of our risk management process:-

**1. Risk Framework:**

The framework helps to maintain consistency and transparency across the organisation. It basically:-

- (a) Establishes clear functional responsibilities and accountabilities within committee structures for the management of risk.
- (b) Sets risk policies and limits consistent with the risk appetite and risk tolerance of the Group.
- (c) Ensures appropriate skills and resources are applied to risk management.

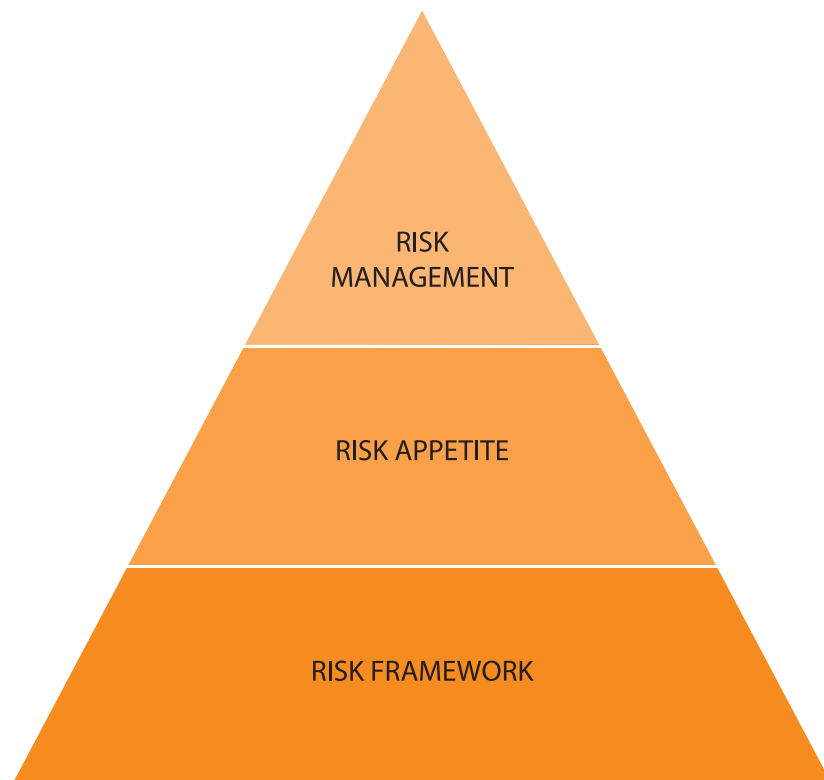
**2. Risk Appetite :**

The risk appetite sets the overall tolerance for a risk-related loss in terms of quantitative and qualitative measures.

**3. Risk Management Process :**

This basically involves:-

- (a) Assessing the potential impact of internal and external factors which may affect the Group directly or indirectly.
- (b) Using quantitative and qualitative aspects to assess the potential impact and likelihood of the identified risks.
- (c) Systematically monitoring and reporting the risks, the mitigation plans along with the effectiveness of the mitigation plans.





# Enterprise Risk Management

## RISK MANAGEMENT STRUCTURE

The risk management structure represents the hierarchy which will be used to oversee and manage the risks for the Group.

### Risk Working Committee ("RWC")

At SunCity, the key management staff and heads of department are delegated the responsibility to identify and manage risks within defined parameters and standards through the RWC. The RWC identifies the risks which fall within its areas of responsibility and the possible impacts these may have. The RWC is also responsible to ensure performance indicators and mitigation plans are identified which would allow them to monitor and reduce the impact of these risks on their key businesses and financial activities.

The RWC meets on a quarterly basis. The key risks identified within its areas of operation are then escalated to the Risk Management Committee.

### Risk Management Committee ("RMC")

The RMC takes the lead on behalf of the Board of Directors in considering risk management issues and in providing advice and feedback to the Board of Directors as appropriate.

The RMC's responsibilities can be summarised in 3 areas:-

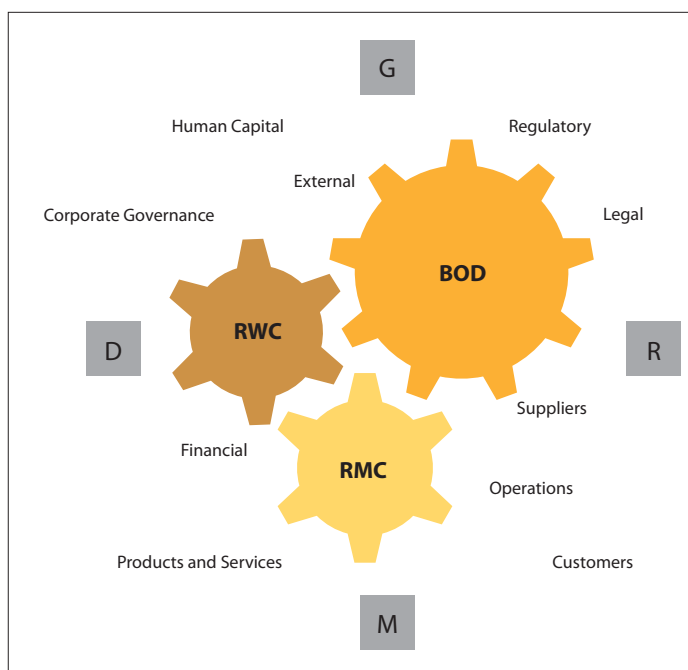
- Risk framework oversight - ensuring that the risk framework is fit for the purpose and operates effectively.
- Enterprise-wide risk profiling - ensuring that the enterprise-wide risk profile is managed within the Group's risk appetite. This includes the responsibility for reviewing the mitigation plans for key enterprise-wide risk.
- Risk reporting - ensuring that the key risks are reported to the Board of Directors. Significant risks are reported along with their mitigation plans.

### Board Of Directors ("BOD")

The BOD of SunCity provides important oversight to the ERM and ensures that the risk management processes designed and implemented within the Group are aligned to the BOD's corporate strategy and are functioning as directed. The BOD also ensures that necessary steps are taken to foster a culture of risk-adjusted decision-making throughout the organisation.

### Group Risk Management Division ("GRMD")

The key role of GRMD is to ensure that the business risks, which may be strategic, operational, financial, environmental or concerning the Group's reputation, are understood and visible to all concerned. The GRMD continues to seek improvement in the management of risks by sharing best practices throughout the organisation.



**KEY RISK FACTORS**

Risk management within the Group encompasses an on-going risk identification process wherein all Business Units identify and register their respective risks in the risk registers which are then compiled in the Corporate Risk Scorecard. Management of each Business Unit takes a top-down, strategic approach in risk management. There are processes and systems to track and mitigate existing as well as new risks faced by the Group's businesses.

The risks in the Group are divided into 10 broad categories although there can be an overlap between these:-

- (a) External
- (b) Regulatory
- (c) Legal
- (d) Corporate Governance
- (e) Financial
- (f) Customers
- (g) Products and Services
- (h) Suppliers
- (i) Human Capital
- (j) Operations

**Key Risks During The Financial Period Ended 31 December 2009**

During the last financial period, the key risks faced by the Group are summarised below:-

**1. Strategic Risks**

Strategic risks are often risks that organisations may have to take in order to expand and for the long-term continuity and sustainability of the organisation. The current economic crisis has caused complex challenges to all businesses. The Group is also faced with various strategic risks because of the expansions and projects undertaken globally. However, management has taken all necessary efforts to analyse new markets and has also worked closely with local business partners to manage these business complexities.

**2. Country Risks**

With geographical presence in many countries, the Group's businesses faced different degrees of country exposures. The Group maintained close working relationships with local business partners and authorities to keep abreast of political and economical developments, country risks as well as changes to laws and regulations.

**3. Financial Risks**

The main financial risks faced by the organisation are in relation to interest rates, foreign currency, liquidity and credit. Financial risk management seeks to ensure that there is a reduction in cash outflow and increase in cash inflow for the development of the Group's businesses. At the same time, it takes into consideration the impact of currency fluctuation risk, interest rate risk, and the other risks related to the external financial market.

# Additional Compliance Information

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

## 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise proceeds during the financial period ended 31 December 2009.

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

During the financial period ended 31 December 2009, a total of 2,000 options over ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme ("ESOS") and a total of 30,900 warrants were exercised pursuant to the Company's Warrants 2007/2017.

## 3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial period ended 31 December 2009.

## 4. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial period ended 31 December 2009.

## 5. NON-AUDIT FEES

The non-audit fees paid/payable to the External Auditors of the Company and its subsidiaries for the financial period ended 31 December 2009 amounted to RM399,720.

## 6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial period ended 31 December 2009 and the unaudited results previously announced by the Company. The Company did not release any profit estimate, forecast or projection for the financial period.

## 7. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial period ended 31 December 2009.

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

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial period ended 31 December 2009:-

- (a) Subscription Agreement dated 11 July 2008 between the Company and SunwayMas Sdn Bhd ("SunwayMas"), a wholly-owned subsidiary of Sunway Holdings Berhad ("Sunway Holdings") with Sunway Real Estate (China) Limited ("Sunway Real Estate") for the subscription of 9,995 new ordinary shares of HK\$1.00 each and 148,000,000 new redeemable preference shares ("RPS") of HK\$0.01 each at an issue price of HK\$1.00 each in Sunway Real Estate.
- (b) Share Sale and Purchase Agreement dated 9 June 2009 between Sunway Holdings (Vietnam) Sdn Bhd ("Sunway Holdings Vietnam") and Sunway Property (China) Limited ("Sunway Property"), being subsidiaries of Sunway Holdings with Mega Methods Sdn Bhd (now known as SunCity Vietnam Sdn Bhd) ("SunCity Vietnam"), a wholly-owned subsidiary of the Company for the acquisition of the entire issued and paid-up share capital of Hochimex Nominee Company Limited ("Hochimex") and its subsidiary, Sunway Hotel Hanoi Liability Limited Company with One Member ("SHHLLC") for a total cash consideration of USD17 million (equivalent to approximately RM59.33 million) [hereinafter referred to as "Acquisition of Sunway Hotel Hanoi"]. SHHLLC is a wholly-owned subsidiary of Hochimex and the operator of a hotel in Hanoi, Vietnam known as "Sunway Hotel Hanoi".



(c) Supplemental Agreement dated 27 August 2009 to the Subscription Agreement dated 11 July 2008 between the Company and SunwayMas with Sunway Real Estate to extend the conditions fulfilment period to 31 August 2009 and to change the total number of RPS to be subscribed by the Company and SunwayMas in Sunway Real Estate as follows:-

- (i) the Company will subscribe for 89,659,158 RPS instead of 88,800,000 RPS; and
- (ii) SunwayMas will subscribe for 60,675,949 RPS instead of 59,200,000 RPS.

(d) Supplemental Agreement dated 8 December 2009 between Sunway Holdings Vietnam and Sunway Property with SunCity Vietnam to extend the Conditions Fulfillment Period (as defined in the Company's announcement dated 10 June 2009) of the Acquisition of Sunway Hotel Hanoi for another 6 months to expire on 9 June 2010 or such other period as the parties may mutually agree.

**Relationship of Related Party for items (a) and (c) above**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and Major Shareholder of the Company and Sunway Holdings. He has deemed interest in SunwayMas via Sunway Holdings.

**Relationship of Related Parties for items (b) and (d) above**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and Major Shareholder of the Company and Sunway Holdings. He has deemed interest in SunCity Vietnam via the Company. He also has deemed interests in Sunway Holdings Vietnam and Sunway Property via Sunway Holdings.

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih, being the spouse and child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling respectively, are Major Shareholders of the Company and Sunway Holdings. They have deemed interest in SunCity Vietnam via the Company. They also have deemed interests in Sunway Holdings Vietnam and Sunway Property via Sunway Holdings.

Evan Cheah Yean Shin, being the child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, is a Major Shareholder of Sunway Holdings. He has deemed interests in Sunway Holdings Vietnam and Sunway Property via Sunway Holdings.

Sungei Way Corporation Sdn Bhd, Timah Dunia Dredging Sdn Bhd and Active Equity Sdn Bhd are Major Shareholders of the Company and Sunway Holdings. They have deemed interest in SunCity Vietnam via the Company. They also have deemed interests in Sunway Holdings Vietnam and Sunway Property via Sunway Holdings.

**9. REVALUATION POLICY ON LANDED PROPERTIES**

Details on the revaluation of Investment Properties are disclosed under Note 2.2(g) of the Notes to the Financial Statements.

All other landed properties of the Group are stated at cost less accumulated depreciation and/or accumulated impairment losses, where applicable.

**10. STATEMENT BY AUDIT COMMITTEE IN RELATION TO ALLOCATION OF OPTIONS OVER ORDINARY SHARES PURSUANT TO THE COMPANY'S ESOS**

There was no new allocation of options over ordinary shares pursuant to the Company's ESOS during the financial period ended 31 December 2009.

**11. SHARE BUY-BACK**

The Company has not purchased any of its own shares during the financial period ended 31 December 2009.

# Investor Relations

At SunCity, we place great emphasis on our investor relations programme as a means to promote accountability, transparency and open communication to the investing community and to assist our investors in making accurate and timely investment decisions. SunCity maintains its relevance with the investing community by disseminating information through various channels including investor roadshows, conferences, one-on-one/group discussions, annual and quarterly reports, press releases and the corporate website.

## Promoting Two-way Communication

In year 2009 alone, SunCity had initiated over 50 investor relations meetings, on both local and international front. In addition, SunCity had participated in various non-deal roadshows and investor conferences, including the renowned Nomura Asian Equity Forum ("NAEF") which is one of the largest Pan Asian equity conferences in the region. This is a key event which provides approximately 200 high-performing companies in Asia to establish their presence in front of an audience of more than 1,000 global investors as well as key members from the institutional investing community. SunCity is proud to be the only Malaysian property company that was invited to the prestigious event where our Chief Financial Officer delivered a corporate presentation on the Group.

Aligned with the Group's values and belief, the above briefings and meeting sessions promote a proactive two-way communication channel with the local and international investing community in order to update them with the latest significant achievements of the Group. At the same

time, through these avenues, SunCity has the opportunity to meet and understand our investors' needs and viewpoints, as well as attracting, retaining and strengthening our investor base.

## Award-Winning Annual Report

SunCity recognises that the annual report is a valuable tool for investors to gain further insights into SunCity's affairs and latest financial performance and initiatives. As such, SunCity's efforts to advocate accountability, transparency and open investor communication has once again been reaffirmed when SunCity improved its previous standing at the recent National Annual Corporate Report Awards 2009 ("NACRA")<sup>1</sup>, retaining the Industry Excellence Awards for the Properties, Hotels and Trusts Industry category (third consecutive year for SunCity) and gaining a Silver Award for the Best Annual Report in Bahasa Malaysia.

## User-friendly and Informative Website

SunCity's corporate website, [www.sunwaycity.com](http://www.sunwaycity.com) has also attained a new fresh image in April 2010. The newly-designed corporate website was developed with the aim at providing the investing community and other stakeholders a better understanding of SunCity's businesses and its future direction.

<sup>1</sup>NACRA is a collaboration of 3 organising bodies – Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA) to promote the highest standard in annual corporate reporting and effective communication between the organisation and its stakeholders through the publication of timely, informative, factual and reader-friendly annual report.

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Sunway City Berhad Annual Report 2009



Ms Tan Poh Chan, the Chief Financial Officer of SunCity, giving a corporate presentation at the NAEF.

To this end, we have also incorporated several new user-friendly functions including SunCity's Investment Case, Quarterly Financial Analysis, Key Ratio Analysis and Corporate Governance Statement.

### Strengthening Relationship with Research Institutions

In order to provide our investors with better accessibility to the Group's information, we recognise the importance of maintaining a close working relationship with the research institutions and analysts. To date, there are 9 local research institutions which maintain coverage on SunCity, 2 of which have just been introduced to the Company during the financial period under review, namely JF Apex Securities and AmResearch.

Below is the complete list of research institutions covering SunCity and their recommendations as at April 2010.

### Continuous Commitment to Investing Community

The formation of the Malaysian Investor Relations Association ("MIRA") by Bursa Malaysia Berhad aims to provide guidance to the Investor Relations profession towards establishing a mature and transparent

investor relations practice in the country by benchmarking itself against international standards to attract global investors to Malaysia. SunCity, as an active member of MIRA, is committed to continuously nurture transparent communication to the investing community.

### Investor Relations Calendar for the financial period ended 31 December 2009 ("FPE2009")

#### 1st Quarter FPE2009 (Jul-Sep 2008)

- 4th Quarter FY2008 results announcement

#### 2nd Quarter FPE2009 (Oct-Dec 2008)

- 1st Quarter FPE2009 results announcement

#### 3rd Quarter FPE2009 (Jan-Mar 2009)

- 2nd Quarter FPE2009 results announcement

#### 4th Quarter FPE2009 (Apr-Jun 2009)

- 3rd Quarter FPE2009 results announcement
- ECM Libra Investor Luncheon Meeting
- KAF Seagroatt & Campbell Corporate Day Group Meeting (Singapore)
- Maybank Investment Bank Corporate Day Group Meeting (Singapore)

#### 5th Quarter FPE2009 (Jul-Sep 2009)

- 4th Quarter FPE2009 results announcement
- Nomura Asia Equity Forum (Singapore)
- Credit Suisse Corporate Day Group Meeting (Singapore)
- Maybank Investment Bank Investor Site Visit

#### 6th Quarter FPE2009 (Oct-Dec 2009)

- 5th Quarter FPE2009 results announcement

Research Institutions	As at April 2010 Recommendation
KAF Seagroatt & Campbell	Buy
Maybank Investment Bank	Buy
ECM Libra	Buy
HwangDBS Vickers Research	Buy
Affin Investment Bank	Buy
RHB Research	Outperform
AmResearch	Hold
Hong Leong Investment Bank	Buy
JF Apex Securities	Buy

Any recommendations or opinions regarding SunCity's performance do not represent recommendations or opinions of SunCity or its management.




Site visit by analysts.



Presentation to analysts.



A smiling woman with long dark hair, wearing a red top, is holding a young girl in a pink dress and a young boy in a yellow and black shirt. They are outdoors in a lush green setting with large leaves and trees in the background.

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# Directors' Report

The directors present their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 December 2009.

## Principal Activities

The principal activities of the Company are property development and investment, and investment holding.

The principal activities of the subsidiaries are:

- (i) property development and investment;
- (ii) operation of hotels, theme parks and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities;
- (v) operation of a medical centre; and
- (vi) time sharing businesses.

There have been no significant changes in the nature of the principal activities during the financial period.

## Change of Financial Year End

The financial year end of the Company and all its subsidiaries was changed from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 December 2009 cover an 18-month period compared to the 12-month year end of 30 June 2008 and therefore the comparative amounts are not in respect of comparable periods.

## Results

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit/(loss) for the period	865,880	(175,227)
Attributable to:		
Equity holders of the Company	537,908	(175,227)
Minority interests	327,972	-
	865,880	(175,227)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.



## Dividends

The dividends paid by the Company since 30 June 2008 were as follows:

	RM'000
In respect of the financial year ended 30 June 2008 as reported in the directors' report of that year:	
Final dividend of 5% less 25% taxation on 469,949,432 ordinary shares, declared on 17 November 2008 and paid on 11 March 2009	17,623
In respect of the financial period ended 31 December 2009:	
Interim dividend of 8% less 25% taxation on 469,951,432 ordinary shares, declared on 2 October 2009 and paid on 20 November 2009	28,197
	45,820

At the forthcoming Annual General Meeting, a final dividend in respect of the financial period ended 31 December 2009 of 5% less 25% taxation on ordinary shares in issue on the date of entitlement will be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2010.

## Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO  
 Datuk Razman M Hashim  
 Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim  
 Ngian Siew Siong  
 Ngeow Voon Yean  
 Datin Paduka Low Siew Moi  
 Teo Tong How  
 Tan Siak Tee  
 Lim Swe Guan  
 Dato' Ng Tiong Lip  
 Ho Hon Sang (appointed on 19 March 2010)

In accordance with Article 78 of the Company's Articles of Association, Datin Paduka Low Siew Moi and Lim Swe Guan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 77(2) of the Company's Articles of Association, Ho Hon Sang retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-election.

Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim and Datuk Razman M Hashim, being over the age of seventy years, retire at the forthcoming Annual General Meeting in accordance with Section 129 of the Companies Act, 1965 ("the Act") and seek re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting.

Teo Tong How who is retiring by rotation pursuant to Article 78 of the Company's Articles of Association at the forthcoming Annual General Meeting, has not offered himself for re-election.

## Directors' Report

### Directors' Benefits

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted under the Employees' Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in 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 he is a member, or with a company in which he has a substantial financial interest, except for Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Datuk Razman M Hashim who may be deemed to derive benefits by virtue of those transactions, products, parts and other properties or any interest in any properties; and/or for the provision of services including but not limited to management and consultancy services, and/or provision of construction contracts, leases and tenancy; and/or the provision of treasury functions, advances and conduct of normal trading and/or other businesses and construction contracts between the Company and its related corporations and corporations in which Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Datuk Razman M Hashim are deemed to have an interest, as disclosed in Note 49 to the financial statements.

### Directors' Interest

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial period in shares, options over ordinary shares and warrants in the Company and its related corporations during the financial period were as follows:

	Number of ordinary shares of RM1 each			31.12.2009
	1.7.2008	Acquired	Sold	
<b>The Company</b>				
Direct:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	12,823,251	-	-	12,823,251
Datuk Razman M Hashim	380,000	-	-	380,000
Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim	10,000	-	-	10,000
Ngian Siew Siong	20,000			20,000
Ngeow Voon Yean	300,000	-	-	300,000
Teo Tong How	5,000	20,000	-	25,000
Indirect:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	175,325,917	18,253,483	(1,106,283)	192,473,117
Ngian Siew Siong	10,000	-	(10,000)	-

**Directors' Interests (contd.)**

	Number of options over ordinary shares of RM1 each			
	1.7.2008	Granted	Exercised	31.12.2009
<b>The Company</b>				
Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim	50,000	-	-	50,000
Datin Paduka Low Siew Moi	50,000	-	-	50,000
Teo Tong How	50,000	-	-	50,000
Tan Siak Tee	50,000	-	-	50,000

	Number of warrants 2007/2017			31.12.2009
	1.7.2008	Acquired	Sold	
The Company				
Direct:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	5,817,591	-	-	5,817,591
Datuk Razman M Hashim	131,096	-	-	131,096
Ngian Siew Siong	6,676	-	-	6,676
Ngeow Voon Yean	100,000	-	-	100,000
Indirect:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	63,685,639	3,879,061	(368,761)	67,195,939
Ngian Siew Siong	3,343	-	-	3,343

The options over ordinary shares are pursuant to the Sunway City Berhad Employees' Share Option Scheme 2003/2013.

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial period had any interests in shares, options over ordinary shares and warrants in the Company or its related corporations during the financial period.

**Issue of Shares**

During the financial period, the Company increased its issued and paid-up ordinary share capital from RM469,918,532 to RM469,951,432 by way of the issuance of:

- (i) 2,000 new ordinary shares of RM1 each issued to eligible employees of the Group under the Employees' Share Option Scheme at an exercise price of RM1.00 per ordinary share for cash; and
- (ii) 30,900 new ordinary shares of RM1 each pursuant to the exercise of warrants at an exercise price of RM4.87 per ordinary share for cash.

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



## Directors' Report

### Warrants

On 5 October 2007, the Company issued 155,805,276 warrants at an issue price of RM0.15 per warrant for cash on the basis of one (1) warrant for every three (3) ordinary shares of RM1.00 each held in the Company.

The warrants entitle the registered holder, at any time within a period of 10 years commencing on and including the issue date and expiring on 4 October 2017, to subscribe for 1 new ordinary share of RM1.00 each in the Company at an exercise price of RM4.87 per ordinary share for every warrant held.

During the financial period, 30,900 new ordinary shares of RM1 each were subscribed pursuant to the exercise of warrants for the equivalent number by the registered holders.

### Employees' Share Option Scheme

The Sunway City Berhad Employees' Share Option Scheme ("the Scheme") was implemented on 22 September 2003 and is governed by the by-laws approved by the shareholders on 26 August 2003. The Scheme is for eligible employees (including Executive and Non-Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (a) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company (or such other higher percentage as may be permitted by the relevant regulatory authorities, from time to time) at the time of the offer of options under the Scheme;
- (b) Only Directors and eligible employees of the Company and of the Group will be eligible to participate in the Scheme;
- (c) The price payable upon exercise of an option granted under the Scheme will be based on the five-day weighted average market price of the Company's shares at the time the offer is granted with a discount of not more than 10% if deemed appropriate or the par value of the Company's shares, whichever is higher;
- (d) The duration of the Scheme is ten (10) years from the date of its commencement;
- (e) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on seniority, performance and length of service and the offer shall be valid for acceptance by an employee for a period of thirty days from the date of offer; and
- (f) The options granted may be exercised in the following manner:

Number of options granted	Maximum percentage of total options exercisable		
	Year 1	Year 2	Year 3
Below 20,000	100%	-	-
20,000 and above	40%*	30%	30%#

\* 40% or 20,000 options, whichever is higher

# 30% or the remaining number of options unexercised

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

**Employees' Share Option Scheme (contd.)**

The movement in the options to take up unissued new ordinary shares of RM1 each during the financial period was as follows:

	<b>Number of options over ordinary shares of RM1 each</b>
At 1 July 2008	2,970,250
Movement during the financial period:	
- forfeited	(453,750)
- exercised	(2,000)
At 31 December 2009	2,514,500

At the end of the financial period, the unissued shares under option were as follows:

	<b>Number of options over ordinary shares of RM1 each</b>	<b>Exercise price RM</b>
First offer	96,000	1.00
Second offer	-	1.00
Third offer	-	2.00
Fourth offer	2,382,250	5.00
Fifth offer	36,250	3.00
	2,514,500	

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings except for those holders who have options of 100,000 ordinary shares and above, which is as follows:

	<b>Number of options over ordinary shares of RM1 each</b>			
	<b>1.7.2008</b>	<b>Granted</b>	<b>Exercised</b>	<b>31.12.2009</b>
Koong Wai Seng*	150,000	-	-	150,000

Note: The Scheme Committee had approved the application by Koong Wai Seng to continue holding his unexercised options under the Scheme upon his transfer to a company which is outside the Group on 1 April 2008.

Details of options granted to Non-Executive Directors are disclosed in the section on Directors' Interests in this report.

## Directors' Report

### Other Statutory Information

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there do not exist:
  - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.
- (f) In the opinion of the directors:
  - (i) no contingent or other liability have become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature have arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.



**Significant Event During the Financial Period**

Significant event during the financial period is disclosed in Note 53 to the financial statements.

**Subsequent Event**

Subsequent event is disclosed in Note 54 to the financial statements.

**Auditors**

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2010.



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



Ngian Siew Siong

## Statement By Directors

### Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Ngian Siew Siong, being two of the directors of Sunway City Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 165 to 279 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards 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 2009 and of the results and the cash flows of the Group and of the Company for the period then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 April 2010.

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

Ngian Siew Siong

## Statutory Declaration

### Pursuant to Section 169(16) of the Companies Act, 1965

I, Tan Poh Chan, being the Officer primarily responsible for the financial management of Sunway City Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 165 to 279 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Tan Poh Chan  
at Petaling Jaya in the State of Selangor  
Darul Ehsan on 26 April 2010

Tan Poh Chan

Before me,



No. 10-1, Jalan PJS 11/28A,  
Sunway Metro, 47150 Petaling Jaya,  
Selangor Darul Ehsan.

# Independent Auditors' Report to the Members of Sunway City Berhad

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Sunway City Berhad Annual Report 2009

## Report on the Financial Statements

We have audited the financial statements of Sunway City Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 165 to 279.

### Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows of the Group and of the Company for the period then ended.



## Independent Auditors' Report to the Members of Sunway City Berhad

### Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all subsidiaries of which we have not acted as auditors, which are indicated in Note 50 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

### Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
26 April 2010



Kua Choo Kai  
No. 2030/03/12(J)  
Chartered Accountant

# Income Statements

for the period ended 31 December 2009

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Sunway City Berhad Annual Report 2009

		Group		Company	
	Note	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Revenue	3	1,600,967	1,314,556	136,833	144,478
Cost of sales	4	(596,393)	(629,357)	(24,959)	(29,240)
<b>Gross profit</b>		1,004,574	685,199	111,874	115,238
Other income	5	801,206	374,755	49,030	29,031
Administrative expenses		(271,120)	(148,934)	(200,213)	(22,926)
Selling and marketing expenses		(61,283)	(43,686)	(1,983)	(1,844)
Other expenses		(284,944)	(168,664)	(49,028)	(31,149)
<b>Operating profit</b>		1,188,433	698,670	(90,320)	88,350
Finance costs	6	(104,780)	(76,632)	(65,898)	(43,703)
Share of profit of associates		8,094	3,223	-	-
Share of profit of jointly controlled entities		49,660	8,744	-	-
<b>Profit/(loss) before tax</b>	7	1,141,407	634,005	(156,218)	44,647
Income tax expense	10	(275,527)	(175,685)	(19,009)	(21,386)
<b>Profit/(loss) for the period/year</b>		865,880	458,320	(175,227)	23,261
Attributable to:					
Equity holders of the Company		537,908	261,906	(175,227)	23,261
Minority interests		327,972	196,414	-	-
		865,880	458,320	(175,227)	23,261
<b>Earnings per share attributable to equity holders of the Company</b>					
(sen):					
Basic	11	114.46	55.87		
Diluted	11	114.45	55.81		

The accompanying notes form an integral part of the financial statements.

## Balance Sheets as at 31 December 2009

		Group		Company	
	Note	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	870,055	363,926	7,270	7,915
Biological assets	14	532	763	-	-
Investment properties	15	3,207,367	429,469	91,189	82,088
Prepaid land lease payments	16	20,849	20,965	-	-
Land held for property development	17	402,954	394,473	2,299	2,299
Investments in subsidiaries	18	-	-	564,367	525,388
Investments in associates	20	27,648	15,533	11,265	11,265
Investments in jointly controlled entities	21	125,926	65,099	50,938	13,456
Goodwill	22	23,035	23,027	-	-
Deferred tax assets	37	22,175	13,139	-	-
Other investments	23	16,895	-	10,853	-
		4,717,436	1,326,394	738,181	642,411
<b>Current assets</b>					
Property development costs	24	531,022	319,127	14,541	20,709
Inventories	25	50,671	52,320	10,912	12,171
Trade receivables	26	160,461	209,323	6,031	3,054
Other receivables	27	135,257	139,638	84,978	107,907
Amounts due from subsidiaries	19	-	-	902,046	1,182,129
Amounts due from associates	28	-	-	-	6
Amounts due from jointly controlled entities	29	108,620	41,880	108,615	41,249
Tax recoverable		23,765	41,879	11,018	13,436
Cash and bank balances	30	438,050	549,030	39,612	80,403
		1,447,846	1,353,197	1,177,753	1,461,064
Non-current assets classified as held for sale	31	-	2,537,358	-	-
		1,447,846	3,890,555	1,177,753	1,461,064
<b>Total assets</b>		6,165,282	5,216,949	1,915,934	2,103,475



	Note	Group		Company	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Equity and liabilities</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	40	469,952	469,919	469,952	469,919
Warrants	41	22,995	23,000	22,995	23,000
Share premium	42	308,857	308,733	308,857	308,733
Reserves	43	1,370,532	880,129	25,941	246,988
		2,172,336	1,681,781	827,745	1,048,640
<b>Minority interests</b>	44	996,301	696,077	-	-
<b>Total equity</b>		3,168,637	2,377,858	827,745	1,048,640
<b>Non-current liabilities</b>					
Borrowings	32	871,562	936,705	-	516,449
Long term liabilities	33	39,755	63,678	-	-
Advances by minority shareholders of subsidiaries	34	292,505	296,076	-	-
Hire purchase and finance lease liabilities	36	18,369	5,979	104	700
Deferred tax liabilities	37	435,020	249,113	9,350	10,139
		1,657,211	1,551,551	9,454	527,288
<b>Current liabilities</b>					
Trade payables	38	223,852	246,112	3,965	12,084
Other payables	39	341,325	421,218	76,481	81,023
Amounts due to subsidiaries	35	-	-	366,675	153,748
Amounts due to associates	28	13,719	19,741	13,719	19,741
Borrowings	32	701,953	573,930	617,526	260,459
Hire purchase and finance lease liabilities	36	7,083	3,980	369	492
Current tax payable		51,502	22,559	-	-
		1,339,434	1,287,540	1,078,735	527,547
<b>Total liabilities</b>		2,996,645	2,839,091	1,088,189	1,054,835
<b>Total equity and liabilities</b>		6,165,282	5,216,949	1,915,934	2,103,475

The accompanying notes form an integral part of the financial statements.

Group	Attributable to equity holders of the Company										Minority Interests	Total Equity
	Note	Non-Distributable					Distributable					
		Share Capital (Note 40) RM'000	Warrants (Note 41) RM'000	Share Premium (Note 42) RM'000	Share Option Reserve (Note 43) RM'000	Capital Reserve (Note 43) RM'000	Foreign Currency Translation Reserve (Note 43) RM'000	Retained Profits (Note 43) RM'000	Total RM'000			
<b>At 1 July 2007</b>		463,444	-	298,559	-	25,723	13,576	614,628	1,415,930	537,117	1,953,047	
Foreign currency translation		-	-	-	-	-	(1,873)	-	(1,873)	(866)	(2,739)	
Transfer to/(from) reserves		-	-	-	-	1,195	-	(1,195)	-	-	-	
Net income/(expense) recognised directly in equity		-	-	-	-	1,195	(1,873)	(1,195)	(1,873)	(866)	(2,739)	
Profit for the year		-	-	-	-	-	-	261,906	261,906	196,414	458,320	
Loss for the year recognised directly in advances by minority shareholders of a subsidiary		-	-	-	-	-	-	-	-	(818)	(818)	
Total recognised income and expense for the year		-	-	-	-	1,195	(1,873)	260,711	260,033	194,730	454,763	
Dividends	12	-	-	-	-	-	-	(37,189)	(37,189)	-	(37,189)	
Issue of warrants		-	23,371	-	-	-	-	-	23,371	-	23,371	
Issue of ordinary shares:												
- pursuant to ESOS		3,998	-	217	-	-	-	-	4,215	-	4,215	
- pursuant to exercise of warrants		2,477	(371)	9,957	-	-	-	-	12,063	-	12,063	
Share options granted under ESOS		-	-	-	3,358	-	-	-	3,358	-	3,358	
Dividends paid by subsidiaries		-	-	-	-	-	-	-	-	(35,770)	(35,770)	
<b>At 30 June 2008</b>		469,919	23,000	308,733	3,358	26,918	11,703	838,150	1,681,781	696,077	2,377,858	

## Statements of Changes in Equity for the period ended 31 December 2009 (contd.)

	Attributable to equity holders of the Company								Minority Interests	Total Equity	
	Non-Distributable					Distributable					
	Share Capital (Note 40) RM'000	Warrants (Note 41) RM'000	Share Premium (Note 42) RM'000	Share Option Reserve (Note 43) RM'000	Capital Reserve (Note 43) RM'000	Foreign Currency Translation Reserve (Note 43) RM'000	Retained Profits (Note 43) RM'000	Total RM'000			
Group (contd.)	Note								RM'000	RM'000	RM'000
<b>At 1 July 2008</b>		469,919	23,000	308,733	3,358	26,918	11,703	838,150	1,681,781	696,077	2,377,858
Foreign currency translation		-	-	-	-	-	2,530	-	2,530	2,090	4,620
Transfer to/(from) reserves		-	-	-	-	47,042	-	(47,042)	-	-	-
Net income/(expense) recognised directly in equity		-	-	-	-	47,042	2,530	(47,042)	2,530	2,090	4,620
Profit for the period		-	-	-	-	-	-	537,908	537,908	327,972	865,880
Total recognised income and expense for the period		-	-	-	-	47,042	2,530	490,866	540,438	330,062	870,500
Dividends	12	-	-	-	-	-	-	(45,820)	(45,820)	-	(45,820)
Issue of ordinary shares:											
- pursuant to ESOS		2	-	-	-	-	-	-	2	-	2
- pursuant to exercise of warrants		31	(5)	124	-	-	-	-	150	-	150
Increase in equity in a subsidiary		-	-	-	-	-	-	-	-	25,343	25,343
Dividends paid by subsidiaries		-	-	-	-	-	-	-	-	(31,458)	(31,458)
Dividends paid to a minority shareholder		-	-	-	-	-	-	(3,920)	(3,920)	-	(3,920)
Dilution of equity interest in a subsidiary		-	-	-	-	-	-	(295)	(295)	295	-
Redemption of preference shares in a subsidiary		-	-	-	-	-	-	-	-	(24,014)	(24,014)
Disposal of a subsidiary		-	-	-	-	-	-	-	-	(4)	(4)
<b>At 31 December 2009</b>		469,952	22,995	308,857	3,358	73,960	14,233	1,278,981	2,172,336	996,301	3,168,637



## Statements of Changes in Equity for the period ended 31 December 2009 (contd.)

		Non-Distributable			Distributable		
Company	Note	Share Capital (Note 40) RM'000	Warrants (Note 41) RM'000	Share Premium (Note 42) RM'000	Share Option Reserve (Note 43) RM'000	Retained Profits (Note 43) RM'000	Total RM'000
<b>At 1 July 2007</b>							
As previously stated		463,444	-	298,559	-	256,303	1,018,306
Prior year adjustments	56	-	-	-	-	1,255	1,255
<b>At 1 July 2007 (restated)</b>							
Issue of warrants		463,444	-	298,559	-	257,558	1,019,561
Issue of ordinary shares		-	23,371	-	-	-	23,371
- pursuant to ESOS		3,998	-	217	-	-	4,215
- pursuant to exercise of warrants		2,477	(371)	9,957	-	-	12,063
Share options granted under ESOS		-	-	-	3,358	-	3,358
Net profit for the year, representing total recognised income and expense for the year		-	-	-	-	23,261	23,261
Dividends	12	-	-	-	-	(37,189)	(37,189)
<b>At 30 June 2008</b>							
Issue of ordinary shares:		469,919	23,000	308,733	3,358	243,630	1,048,640
- pursuant to ESOS		2	-	-	-	-	2
- pursuant to exercise of warrants		31	(5)	124	-	-	150
Net loss for the period, representing total recognised income and expense for the period		-	-	-	-	(175,227)	(175,227)
Dividends	12	-	-	-	-	(45,820)	(45,820)
<b>At 31 December 2009</b>							
		469,952	22,995	308,857	3,358	22,583	827,745

The accompanying notes form an integral part of the financial statements.

## Cash Flow Statements

for the period ended 31 December 2009

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	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Cash flows from operating activities</b>				
Receipts from customers	1,705,778	1,257,418	40,339	31,344
Payment to suppliers and contractors	(716,694)	(516,438)	(27,225)	(37,751)
Payment of operating expenses	(487,338)	(295,901)	(75,986)	(32,043)
Interest received				
- subsidiaries	-	-	38,976	26,653
- others	17,713	14,470	1,719	2,342
Dividends received				
- subsidiaries	-	-	46,990	53,799
- jointly controlled entities	26,314	20,002	26,314	20,002
Cash generated from operations	545,773	479,551	51,127	64,346
Taxes refunded	3,070	2,500	3,070	2,500
Taxes paid	(54,669)	(82,119)	-	-
Net cash generated from operating activities	494,174	399,932	54,197	66,846
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	526	1,072	-	69
Proceeds from disposal of investment properties	1,360	-	-	-
Proceeds from disposal of investment in a subsidiary	7	-	7	-
Deposit paid on acquisition of property, plant and equipment	(6,267)	-	-	-
Acquisition of land	(52,785)	(19,297)	-	-
Acquisition of property, plant and equipment (Note a)	(111,480)	(224,867)	(1,321)	(2,119)
Acquisition of biological assets	(237)	(388)	-	-
Acquisition and subsequent expenditure of investment properties	(67,301)	(114,240)	(720)	(680)
Partial repayment of balance consideration for the acquisition of land in previous financial year	(11,342)	(72,538)	-	-
Net cash used in investing activities carried forward	(247,519)	(430,258)	(2,034)	(2,730)

## Cash Flow Statements

for the period ended 31 December 2009 (contd.)

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Cash flows from investing activities (contd.)</b>				
Net cash used in investing activities				
brought forward	(247,519)	(430,258)	(2,034)	(2,730)
Full repayment of balance				
consideration for the acquisition				
of investment properties				
in previous financial year	(22,543)	(119,918)	-	-
Additional investment in ordinary				
shares issued by subsidiaries	-	-	(83,518)	(348)
Investment in preference				
shares issued by a subsidiary	-	-	(201,778)	(34,191)
Investment in a jointly				
controlled entity	(40,937)	(30,080)	(40,937)	-
Investment in an associate	(4,026)	-	-	-
Investment in unquoted				
preference shares	(10,853)	-	(10,853)	-
Other investments	(6,043)	-	-	-
Redemption of preference shares				
in a subsidiary	-	-	93,186	8,624
Redemption of preference shares				
in a jointly controlled entity	3,456	-	3,456	-
Advances to subsidiaries	-	-	-	(354,558)
Repayment from subsidiaries	-	-	513,640	2,911
Advances (to)/from associates	(6,022)	7,160	(6,016)	7,151
Advances to joint venture partners	(21,101)	(13,537)	(21,101)	(13,537)
Advances to jointly controlled				
entities	(66,740)	(7,707)	(67,366)	(7,076)
Net cash (used in)/generated from				
investing activities	(422,328)	(594,340)	176,679	(393,754)



Cash Flow Statements  
for the period ended 31 December 2009 (contd.)

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	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Cash flows from financing activities</b>				
Drawdown of term loans	486,291	281,498	158,809	11,998
Drawdown of revolving credits	100,000	98,000	98,000	98,000
Drawdown of bonds	-	235,963	-	235,963
Repayment of term loans	(147,810)	(82,684)	(38,000)	-
Repayment of revolving credits	(67,500)	(60,000)	(67,500)	(60,000)
Repayment of bonds	(41,511)	-	(41,511)	-
Issuance of commercial papers and medium term notes	-	240,000	-	240,000
Repayment of commercial papers and medium term notes	(270,000)	(110,000)	(270,000)	(110,000)
Repayment of hire purchase and lease financing	(8,206)	(4,042)	(719)	(531)
Interest paid	(117,346)	(79,396)	(65,078)	(40,934)
(Repayment to)/advances from minority shareholders of subsidiaries	(3,567)	10,689	-	-
Redemption of preference shares held by minority shareholders of subsidiaries	(68,509)	(15,988)	-	-
Redemption of Secured Class A, B, C1 and C2 Notes ("Senior Notes") issued by a subsidiary	-	(271,132)	-	-
Issuance of warrants	-	23,371	-	23,371
Issuance of ordinary shares to minority shareholders of subsidiaries	25,343	-	-	-
Issuance of ordinary shares pursuant to ESOS	2	4,215	2	4,215
Issuance of ordinary shares pursuant to exercise of warrants	150	12,063	150	12,063
Dividends paid to shareholders of the Company	(45,820)	(37,189)	(45,820)	(37,189)
Dividends paid to minority shareholders of subsidiaries	(32,124)	(31,819)	-	-
Net cash (used in)/generated from financing activities	(190,607)	213,549	(271,667)	376,956

## Cash Flow Statements

for the period ended 31 December 2009 (contd.)

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Net (decrease)/increase in cash and cash equivalents	(118,761)	19,141	(40,791)	50,048
Effects of foreign exchange rates changes	5,191	1,539	-	-
Cash and cash equivalents at beginning of period/year	543,928	523,248	80,403	30,355
Cash and cash equivalents at the end of period/year (Note 30)	430,358	543,928	39,612	80,403
Note (a)				
Additions of property, plant and equipment	132,752	259,028	1,321	2,330
Additions via hire purchase and finance lease arrangements	(23,699)	(5,036)	-	(211)
Additions via deferred payment	-	(79,350)	-	-
Additions via cash	109,053	174,642	1,321	2,119
Payment for property, plant and equipment acquired via deferred payment in prior years	2,427	50,225	-	-
Cash outflow for acquisition of property, plant and equipment	111,480	224,867	1,321	2,119

The accompanying notes form an integral part of the financial statements.

## 1. Corporate Information

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 registered office of the Company is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business is located at Level 3, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are property development and investment, and investment holding.

The principal activities of the subsidiaries are:

- (i) property development and investment;
- (ii) operation of hotels, theme parks and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities;
- (v) operation of a medical centre; and
- (vi) time sharing businesses.

There have been no significant changes in the nature of the principal activities during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2010.

The financial year end of the Company and all its subsidiaries was changed from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 December 2009 cover an 18-month period compared to the 12-month year end of 30 June 2008 and therefore the comparative amounts are not in respect of comparable periods.

## 2. Significant Accounting Policies

### 2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. The significant accounting policies adopted are consistent with those adopted in the audited financial statements for the year ended 30 June 2008.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, except for investment properties that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.



**2. Significant Accounting Policies (contd.)**

**2.2 Summary of significant accounting policies**

**(a) Subsidiary and basis of consolidation**

**(i) Subsidiary**

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**(ii) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(b) Associates**

Associates are entities in which the Group has significant influence and that is neither a subsidiary or an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**2. Significant Accounting Policies (contd.)**

**2.2 Summary of significant accounting policies (contd.)**

**(c) Jointly controlled entities**

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

**(d) Goodwill**

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(e) Property, plant and equipment and depreciation**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is stated at cost less any accumulated impairment losses.



**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(e) Property, plant and equipment and depreciation (contd.)**

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

	%
Buildings	2
Renovations	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Equipment, furniture and fittings	5 - 20

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

**(f) Biological assets**

All items of biological assets are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All upkeep and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at an annual rate of 20%.

The residual values, biological life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of biological asset.

An item of biological asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

**2. Significant Accounting Policies (contd.)**

**2.2 Summary of significant accounting policies (contd.)**

**(g) Investment properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

**(h) Land held for property development and property development costs**

**(i) Land held for property development**

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

**(ii) Property development costs**

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(h) Land held for property development and property development costs (contd.)****(ii) Property development costs (contd.)**

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within payables.

**(i) Impairment of non-financial assets**

The carrying amounts of assets, other than investment property, property development costs, inventories, deferred tax assets and non-current assets held for sale are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.



**2. Significant Accounting Policies (contd.)**

**2.2 Summary of significant accounting policies (contd.)**

**(j) Inventories**

Property stocks are stated at lower of cost and net realisable value. Cost comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Trading inventories, food and beverages and consumables are stated at lower of cost and net realisable value after adequate provision for damaged, obsolete and slow moving items. Cost is determined using the weighted average method. Cost comprises costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(k) Financial instruments**

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

**(i) Cash and cash equivalents**

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

**(ii) Other non-current investments**

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost less impairment losses. Impairment losses are recognised for all declines in value other than temporary. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the profit or loss.

**(iii) Trade receivables**

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

**(iv) Trade payables**

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

**(v) Interest bearing loans and borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(k) Financial instruments (contd.)****(vi) Equity instruments**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Preference shares are classified as equity if there is no fixed term for redemption and dividends are at option of the issuer. Dividends on equity instruments are recognised in equity in the period in which they are declared.

Preference shares are classified as liability if it is redeemable on a specific date or at the option of the shareholders and confer on the shareholders the right to a cumulative preference dividends. The corresponding dividends on those shares are recognised as interest expense as and when they are incurred in the income statement.

**(l) Leases**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. Leases of land and buildings are classified as operating or finance lease in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. All other leases are classified as operating leases.

**(i) Finance leases**

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and any accumulated impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(e).

**(ii) Operating leases**

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

**2. Significant Accounting Policies (contd.)**

**2.2 Summary of significant accounting policies (contd.)**

**(m) Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(n) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

**(o) Provisions for liabilities**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.



**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(p) Employee benefits****(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**(ii) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

**(iii) Share-based compensation**

The Sunway City Berhad Employees' Share Option Scheme, an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

For share options granted after 1 January 2005 but before 31 December 2005 and not yet vested by 1 January 2006 and share options granted after 1 January 2006, the total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained profits.

**(q) Foreign currencies****(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

## 2. Significant Accounting Policies (contd.)

### 2.2 Summary of significant accounting policies (contd.)

#### (q) Foreign currencies (contd.)

##### (ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period.

##### (iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

#### (r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**2. Significant Accounting Policies (contd.)****2.2 Summary of significant accounting policies (contd.)****(r) Revenue recognition (contd.)****(i) Sales of properties under development, land and property inventories**

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(h)(ii).

Revenue from sale of land and property inventories is recognised net of discount and upon transfer of significant risks and rewards of ownership to the purchasers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of property inventories.

**(ii) Rental income**

Rental income including those from investment properties, is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

**(iii) Investment income**

Dividend income is recognised when the Group's right to receive payment is established.

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

**(iv) Sale of goods, services and rights of enjoyment**

Revenue from sale of goods is recognised based on invoiced value of goods sold and revenue from sale of services is recognised net of service taxes and discounts as and when services are performed.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

**(v) Club subscription fees**

Club subscription fees are recognised on the accrual basis.

**(vi) Time share revenue**

70% of the enrolment fees from members are recognised as income upon the execution of the membership agreements and the remaining 30% is treated as deferred membership fees which 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 agreements.

**(s) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSS. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.



## 2. Significant Accounting Policies (contd.)

### 2.3 Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

#### Effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments
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#### Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvements to FRSs	Improvements to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i - 3	Presentation of Financial Statements of Islamic Financial Institutions

**2. Significant Accounting Policies (contd.)****2.3 Standards and Interpretations issued but not yet effective (contd.)****Effective for financial periods beginning on or after 1 July 2010:**

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

**FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)**

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

**FRS 8: Operating Segment**

FRS 8 replaces FRS 114<sup>2004</sup>: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group.

### 2. Significant Accounting Policies (contd.)

#### 2.3 Standards and Interpretations issued but not yet effective (contd.)

##### **FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will now include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is currently evaluating the format to adopt. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company.

##### **FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures**

The new Standard on FRS 139: Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Requirements for presenting information about financial instruments are in FRS 132: Financial Instruments: Presentation and the requirements for disclosing information about financial instruments are in FRS 7: Financial Instruments: Disclosures.

FRS 7 Financial Instruments: Disclosures is a new Standard that requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's and Company's exposure to risks, enhanced disclosure regarding components of the Group's and Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

In accordance with the respective transitional provisions, the Group and the Company are exempted from disclosing the possible impact to the financial statements upon the initial application.

##### **Amendments to FRSs 'Improvements to FRSs (2009)'**

FRS 116 Property, Plant and Equipment: The amendment replaces the term "net selling price" with "fair value less costs to sell". It also clarifies that items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale.

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The Group is still assessing the potential implication as a result of the reclassification of its unexpired land leases as operating or finance leases. For those land element held under operating leases that are required to be reclassified as finance leases, the Group shall recognise a corresponding asset and liability in the financial statements which will be applied retrospectively upon initial application. However, in accordance with the transitional provision, the Group is permitted to reassess lease classification on the basis of the facts and circumstances existing on the date it adopts the amendments; and recognise the asset and liability related to a land lease newly classified as a finance lease at their fair values on that date; any difference between those fair values is recognised in retained earnings. The Group is currently in the process of assessing the impact of this amendment.



**2. Significant Accounting Policies (contd.)****2.3 Standards and Interpretations issued but not yet effective (contd.)****Amendments to FRSs 'Improvements to FRSs (2009) (contd.)**

FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. Where the fair value model is applied, such property is measured at fair value. If fair value cannot be reliably determined, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete. The Group has previously accounted for such assets using the cost model. The amendment also includes changes in terminology in the Standard to be consistent with FRS 108. The change will be applied prospectively.

**IC Interpretation 15: Agreements for the Construction of Real Estate**

IC Interpretation 15 was issued on 8 January 2010 and becomes effective for financial years beginning on or after 1 July 2010. The Interpretation is to be applied retrospectively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is incomplete. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS111 Construction Contracts or FRS118 Revenue.

FRS111 applies when the agreement meets the definition of a construction contract, that is, a contract specifically negotiated for the construction of an asset or a combination of assets. In contrast, an agreement for the construction of real estate in which buyers have only limited ability to influence the design of the real estate is an agreement for the sale of goods within the scope of FRS118.

In Malaysia, the terms of the Sales and Purchase Agreement ("SPA") are dictated by the Housing and Development Act. Under the SPA, the risks and rewards of ownership of the asset pass to the buyer at delivery, and not continuously as construction progresses. In applying IFRIC 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IFRIC 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

**2.4 Significant accounting estimates and judgements****(a) Critical judgement made in applying accounting policies**

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements.

**Classification between investment properties and property, plant and equipment**

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

## 2. Significant Accounting Policies (contd.)

### 2.4 Significant accounting estimates and judgements (contd.)

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2009 is RM23,035,000 (2008: RM23,027,000). Further details are disclosed in Note 22 to the financial statements.

##### (ii) Depreciation of property, plant and equipment

The cost of hotel properties is depreciated on a straight-line basis over its remaining useful lives. Management estimates the useful lives of these hotel properties to be 50 years from the date of completion or from the date of acquisition, based on common life expectancies applied in the hotel industry. The remaining useful lives of the Group's hotel properties are between 40 years to 48 years.

The useful lives and residual values of other components of property, plant and equipment are also estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

##### (iii) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

##### (iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at 31 December 2009, the total carrying value of recognised tax losses and capital allowances of the Group is RM133,024,000 (2008: RM90,688,000) and the unrecognised tax losses and capital allowances of the Group is RM71,322,000 (2008: RM154,608,000). Further details are provided for in Note 37 to the financial statements.

**2. Significant Accounting Policies (contd.)****2.4 Significant accounting estimates and judgements (contd.)****(b) Key sources of estimation uncertainty (contd.)****(v) Allowance for doubtful debts**

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of trade receivables and other receivables of the Group as at 31 December 2009 are RM160,461,000 (2008: RM209,323,00) and RM135,257,000 (2008: RM139,638,000) respectively. Further details are provided for in Note 26 to the financial statements.

**3. Revenue**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Sale of properties under development	494,648	693,884	34,027	40,576
Sale of property stocks	9,334	6,713	-	-
Sale of long term leasehold land	37,820	-	-	-
Rental income	409,956	200,882	9,052	5,382
Sale of goods and services	620,872	390,959	-	-
Subscription fees and others	13,155	7,163	-	-
Time sharing fees	15,182	14,955	-	-
Dividend income from subsidiaries	-	-	58,929	71,120
Dividend income from jointly controlled entities	-	-	34,825	27,400
	1,600,967	1,314,556	136,833	144,478



## 4. Cost of Sales

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Property development costs (Note 24)				
- current period/year	309,105	460,146	22,580	28,124
- (over)/under recognised in prior year	(19)	249	(14)	203
Cost of property stocks sold	1,252	3,519	-	-
Cost of land sold	33,354	-	-	-
Cost of goods and services sold				
- cost of services rendered	16,642	8,532	2,393	913
- cost of theme park operations	18,801	7,208	-	-
- cost of hotel operations	99,932	69,545	-	-
- cost of healthcare operations	68,850	41,632	-	-
- cost of travel and tour business operations	39,833	32,404	-	-
Cost of time sharing business operations and others	8,643	6,122	-	-
	596,393	629,357	24,959	29,240

## 5. Other Income

Included in other income are the following:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Fair value adjustments of investment properties (Note 15)	733,992	311,816	6,807	-
Forfeiture income	2,045	-	115	-
Gain on disposal of property, plant and equipment	526	117	-	1
Gain on disposal of biological assets	2	-	-	-
Interest income				
- from subsidiaries	-	-	38,976	26,653
- others	17,713	14,470	1,719	2,342
Liquidated damages receivable	-	222	-	-
Rental income				
- equipment	8,748	5,486	-	-
- others	12,411	7,239	36	-
Realised foreign exchange gain	1,701	-	-	-
Write-back of allowance for doubtful debts no longer required - others	-	3,504	-	217

**6. Finance Costs**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Dividends on cumulative redeemable preference shares payable to minority shareholders of subsidiaries	3,175	60	-	-
Interest expense				
- hire purchase and finance lease arrangements	1,397	784	86	86
- inter-company balances	-	-	10,452	4,144
- related party balances	273	374	253	336
- bank overdrafts	344	391	-	-
- revolving credits	4,062	2,413	4,062	2,413
- commercial papers and medium term notes	21,828	19,033	21,817	19,033
- term loans	53,408	35,767	8,935	6,786
- bonds	20,293	9,124	20,293	9,124
- Senior Notes	-	5,559	-	-
Amortisation of discount on				
- bonds	-	1,781	-	1,781
- Senior Notes	-	1,346	-	-
	104,780	76,632	65,898	43,703

**7. Profit/(Loss) Before Tax**

The following amounts have been included in arriving at profit/(loss) before tax:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Employee benefits expense (Note 8)	269,314	163,073	50,839	29,961
Non-executive directors' remuneration (Note 9)	320	137	320	137
Auditors' remuneration				
- statutory audits	930	713	207	138
- (over)/underprovision in prior year	(19)	39	(40)	-
- other services	400	717	78	-
Amortisation of prepaid land lease payments (Note 16)	524	402	-	-
Reversal of allowance for doubtful debts				
- due from subsidiaries	-	-	(20,630)	-
Allowance for doubtful debts				
- due from subsidiaries	-	-	-	4,200
- others	3,813	4,056	3	10
Bad debts written off	250	212	-	-
Depreciation of				
- property, plant and equipment (Note 13)	81,872	34,099	1,948	1,244
- biological assets (Note 14)	118	75	-	-
Foreign exchange (gain)/loss				
- realised	(1,943)	-	-	-
- unrealised	(1,363)	2,243	(400)	742
Impairment losses on				
- investments in subsidiaries	-	-	151,979	1,148
- inventories	-	518	-	-
Reversal of impairment losses on investment in a subsidiary	-	-	(1,494)	-
Liquidated damages payable	-	499	-	-
Loss on disposal of				
- associate	-	59	-	-
- subsidiaries	1,505	-	3,787	-
- property, plant and equipment	148	-	-	-
- investment properties	170	-	-	-
Written off of				
- property, plant and equipment	143	35	18	-
- biological assets	350	111	-	-
- amount due from subsidiaries	-	-	40,183	-



**7. Profit/(Loss) Before Tax (contd.)**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Rental expense				
- land and buildings	1,940	740	2,761	1,432
- equipment, plant and machinery	1,525	839	260	265
- others	1,281	181	134	-
Fair value adjustments of investment properties (Note 15)	543	-	-	-

**8. Employee Benefits Expense**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Wages and salaries	178,628	97,203	30,910	15,472
Social security contributions	2,330	1,350	254	147
Contributions to defined contribution plan	22,712	12,825	5,033	2,643
Share options granted under ESOS (Note 43)	-	3,358	-	3,358
Other benefits	65,644	48,337	14,642	8,341
	269,314	163,073	50,839	29,961

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM12,940,000 (2008: RM8,355,000) and RM7,998,000 (2008: RM5,506,000) respectively as further disclosed in Note 9.

**9. Directors' Remuneration**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Executive directors' remuneration (Note 8):				
Other emoluments	12,940	8,355	7,998	5,506
Non-executive directors' remuneration (Note 7):				
Fees	276	102	276	102
Other emoluments	44	35	44	35
	320	137	320	137
Total directors' remuneration	13,260	8,492	8,318	5,643
Estimated money value of benefits-in-kind	760	413	407	317
Total directors' remuneration including benefits-in-kind (Note 49)	14,020	8,905	8,725	5,960

The details of remuneration receivable by directors of the Company during the financial period/year are as follows:

	<b>Group/Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Executive:		
Salaries and other emoluments	5,467	3,216
Bonus	1,674	1,720
Defined contribution plan	857	570
Estimated money value of benefits-in-kind	407	317
	8,405	5,823
Non-executive:		
Fees	276	102
Other emoluments	44	35
	8,725	5,960

**9. Directors' Remuneration (contd.)**

The number of directors of the Company whose total remuneration during the financial period/year fell within the following bands is analysed below:

	Number of Directors	
	1.7.2008 to 31.12.2009	1.7.2007 to 30.6.2008
Executive directors:		
Below RM350,000	-	2
RM400,001 - RM450,000	-	1
RM450,001 - RM500,000	1	-
RM700,001 - RM750,001	1	-
RM800,001 - RM850,000	-	2
RM1,100,001 - RM1,150,001	2	-
RM3,400,001 - RM3,500,000	-	1
RM4,800,001 - RM4,850,001	1	-
Non-executive directors:		
Below RM50,000	5	5

**10. Income Tax Expense**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Current income tax:				
Malaysian income tax	88,221	54,661	21,832	19,474
Foreign tax	8,447	-	-	-
	96,668	54,661	21,832	19,474
Under/(over)provision in prior years:				
Malaysian income tax	1,988	1,260	(2,034)	(3,158)
Foreign tax	-	26,280	-	-
	98,656	82,201	19,798	16,316
Deferred tax (Note 37):				
Relating to origination and reversal of temporary differences	174,353	89,308	(10,387)	(5,625)
Relating to changes in tax rates	-	(8,779)	-	(625)
Underprovision in prior years	2,518	12,955	9,598	11,320
	176,871	93,484	(789)	5,070
Total income tax expense	275,527	175,685	19,009	21,386



## 10. Income Tax Expense (contd.)

Included in the Group's underprovision for foreign income tax in prior financial year was an amount pertaining to additional tax provided in a foreign subsidiary as a result of change in treatment for utilisation of tax relief.

Domestic current income tax is calculated at the statutory tax rate for years of assessment 2008 and 2009 of 26% and 25% respectively of the estimated assessable profit for the year.

In previous financial year, tax incentive of 6% was exempted by the Inland Revenue Board for the first RM500,000 taxable profit of certain subsidiaries.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) 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:

	1.7.2008 to 31.12.2009	1.7.2007 to 30.6.2008 (restated)
<b>Group</b>		
Profit before tax	1,141,407	634,005
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	285,352	164,841
Effect of income subject to tax rate of 20% (2008: 20%)	-	(677)
Different tax rates in other countries	1,754	36
Deferred tax recognised at different tax rates	-	(8,779)
Income not subject to tax	(3,475)	(7,858)
Expenses not deductible for tax purposes	28,401	14,216
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(21,271)	(2,219)
Deferred tax assets not recognised in respect of current period/year's tax losses, unabsorbed capital allowances and other deductible temporary differences	268	4,178
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(5,569)	-
Effect of share of profit of associates	(2,024)	(838)
Effect of share of profit of jointly controlled entities	(12,415)	(2,915)
Effects arising from the buyback of assets pursuant to the Group's corporate exercise (Note (a))	-	(24,795)
Underprovision of income tax in prior years	1,988	27,540
Underprovision of deferred tax in prior years	2,518	12,955
Income tax expense for the period/year	275,527	175,685

**10. Income Tax Expense (contd.)**

- (a) This represents the increase in tax base of certain assets restated back to the Group in prior year as the result of the buyback during the prior year at market values at the time of their buyback. The increase in tax base represents the amount that the Inland Revenue Board will permit as a deduction in future periods.

	<b>1.7.2008 to 31.12.2009</b>	<b>1.7.2007 to 30.6.2008 (restated)</b>
Company		
(Loss)/profit before tax	(156,218)	44,647
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	(39,055)	11,608
Deferred tax recognised at different tax rates	-	(625)
Income not subject to tax	(10,176)	(1,986)
Expenses not deductible for tax purposes	60,676	4,227
Overprovision of income tax in prior years	(2,034)	(3,158)
Underprovision of deferred tax in prior years	9,598	11,320
Income tax expense for the period/year	19,009	21,386

Tax savings during the financial period/year are arising from:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Utilisation of current year tax losses	10,991	28,167	10,978	27,735
Utilisation of previously unrecognised tax losses	769	6,614	-	-

**11. Earnings Per Share****(a) Basic**

Basic earnings per share amounts are calculated by dividing profit for the period/year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period/year.

	<b>1.7.2008 to 31.12.2009</b>	<b>1.7.2007 to 30.6.2008</b>
Profit attributable to ordinary equity holders of the Company (RM'000)	537,908	261,906
Weighted average number of ordinary shares in issue ('000)	469,948	468,792
Basic earnings per share (sen)	114.46	55.87

**(b) Diluted**

For the purpose of calculating diluted earnings per share, the profit for the period/year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees and warrants.

	<b>1.7.2008 to 31.12.2009</b>	<b>1.7.2007 to 30.6.2008</b>
Profit attributable to ordinary equity holders of the Company (RM '000)	537,908	261,906
Weighted average number of ordinary shares in issue ('000)	469,948	468,792
Effect of dilution of share options ('000)	57	487
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	470,005	469,279
Diluted earnings per share (sen)	114.45	55.81



**12. Dividends**

	Dividends in respect of period/ year			Dividends recognised in period/ year	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2006 to 30.6.2007 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Recognised during the period/year:					
Final dividend for 2007: 7.8% less 27% taxation, on 469,910,199 ordinary shares (5.694 sen per share)	-	-	26,757	-	26,757
First interim dividend for 2008: 3.0% less 26% taxation, on 469,910,199 ordinary shares (2.22 sen per share)	-	10,432	-	-	10,432
Final dividend for 2008: 5.0% less 25% taxation, on 469,949,432 ordinary shares (3.75 sen per share)	-	17,623	-	17,623	-
First interim dividend for 2009: 8.0% less 25% taxation, on 469,951,432 ordinary shares (6 sen per share)	28,197	-	-	28,197	-
	28,197	28,055	26,757	45,820	37,189

At the forthcoming Annual General Meeting, a final dividend in respect of the financial period ended 31 December 2009 of 5% less 25% taxation on ordinary shares in issue on the date of entitlement will be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2010.

**13. Property, Plant and Equipment**

Group	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Capital work-in- progress RM'000	Total RM'000
<b>At 31 December 2009</b>								
<b>Cost</b>								
At 1 July 2008	4,769	308,565	2,913	191,978	7,615	144,881	88,499	749,220
Additions	9,532	13,237	1,291	1,820	1,009	50,170	55,693	132,752
Disposals/write-offs	-	(98)	-	(451)	(500)	(5,097)	(44)	(6,190)
Reclassifications	-	95,594	1,941	-	-	48,814	(146,349)	-
Transfer from non-current assets classified as held for sale (Note 31)	-	329,330	1,212	72,749	1,708	188,929	36,036	629,964
Exchange differences	-	1,416	-	-	1	-	5	1,422
At 31 December 2009	14,301	748,044	7,357	266,096	9,833	427,697	33,840	1,507,168
<b>Accumulated depreciation and impairment</b>								
At 1 July 2008	943	98,485	1,475	167,353	4,661	106,623	5,754	385,294
Depreciation charge for the period (Note 7)	-	24,669	923	12,402	1,918	41,960	-	81,872
Disposals/write-offs	-	(406)	-	(145)	(304)	(5,044)	-	(5,899)
Transfer from non-current assets classified as held for sale (Note 31)	-	9,937	707	24,010	1,202	139,922	-	175,778
Exchange differences	-	-	-	-	-	2	66	68
At 31 December 2009	943	132,685	3,105	203,620	7,477	283,463	5,820	637,113
<b>Net carrying amount</b>	13,358	615,359	4,252	62,476	2,356	144,234	28,020	870,055

## 13. Property, Plant and Equipment (contd.)

Group (contd.)	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
<b>At 30 June 2008</b>								
<b>Cost</b>								
At 1 July 2007	5,164	625,923	3,655	265,553	8,774	300,818	487,928	1,697,815
Additions	85	6,421	544	1,863	958	36,415	212,742	259,028
Disposals/write-offs	-	-	(50)	(247)	(402)	(1,154)	-	(1,853)
Reclassifications	-	5,999	-	75	-	(27)	(6,047)	-
Transfer from property development costs (Note 24)	-	-	-	-	-	-	9	9
Transfer to investment properties (Note 15)	-	-	-	-	-	-	(570,545)	(570,545)
Transfer to non-current assets classified as held for sale (Note 31)	(480)	(328,402)	(1,212)	(74,944)	(1,708)	(190,427)	(35,588)	(632,761)
Exchange differences	-	(1,376)	(24)	(322)	(7)	(744)	-	(2,473)
At 30 June 2008	4,769	308,565	2,913	191,978	7,615	144,881	88,499	749,220
<b>Accumulated depreciation and impairment</b>								
At 1 July 2007	943	99,229	1,850	187,481	5,103	230,772	5,754	531,132
Depreciation charge for the year (Note 7)	-	9,181	369	6,484	1,080	16,985	-	34,099
Disposals/write-offs	-	-	(26)	(6)	(339)	(492)	-	(863)
Transfer to non-current assets classified as held for sale (Note 31)	-	(9,814)	(707)	(26,447)	(1,182)	(140,017)	-	(178,167)
Exchange differences	-	(111)	(11)	(159)	(1)	(625)	-	(907)
At 30 June 2008	943	98,485	1,475	167,353	4,661	106,623	5,754	385,294
<b>Net carrying amount</b>	3,826	210,080	1,438	24,625	2,954	38,258	82,745	363,926



## 13. Property, Plant and Equipment (contd.)

	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Total RM'000
<b>Company</b>					
<b>At 31 December 2009</b>					
<b>Cost</b>					
At 1 July 2008	4,426	51,739	3,618	6,573	66,356
Additions	-	-	316	1,005	1,321
Write-offs	-	-	(18)	-	(18)
At 31 December 2009	4,426	51,739	3,916	7,578	67,659
<b>Accumulated depreciation and impairment</b>					
At 1 July 2008	992	51,551	1,783	4,115	58,441
Depreciation charge for the period (Note 7)	133	15	993	807	1,948
At 31 December 2009	1,125	51,566	2,776	4,922	60,389
<b>Net carrying amount</b>	<b>3,301</b>	<b>173</b>	<b>1,140</b>	<b>2,656</b>	<b>7,270</b>
<b>At 30 June 2007</b>					
<b>Cost</b>					
At 1 July 2007	4,185	51,739	3,316	4,943	64,183
Additions	241	-	441	1,648	2,330
Disposals	-	-	(139)	(18)	(157)
At 30 June 2008	4,426	51,739	3,618	6,573	66,356
<b>Accumulated depreciation and impairment</b>					
At 1 July 2007	906	51,541	1,197	3,642	57,286
Depreciation charge for the year (Note 7)	86	10	663	485	1,244
Disposals	-	-	(77)	(12)	(89)
At 30 June 2008	992	51,551	1,783	4,115	58,441
<b>Net carrying amount</b>	<b>3,434</b>	<b>188</b>	<b>1,835</b>	<b>2,458</b>	<b>7,915</b>

**13. Property, Plant and Equipment (contd.)**

- (a) The net carrying amount of property, plant and equipment held under hire purchase and finance lease arrangements is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Motor vehicles	752	1,516	244	1,340
Equipment, furniture and fittings	24,136	7,940	-	-
	24,888	9,456	244	1,340

- (b) The net carrying amount of property, plant and equipment pledged to financial institutions as securities for borrowings as disclosed in Note 32 to the financial statements, is as follows:

	<b>Group</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Buildings	39,740	80,689
Plant and machinery	3,615	4,621
Equipment, furniture and fittings	2,463	2,260
Capital work-in-progress	27	-
	45,845	87,570

- (c) In previous financial year, interest expense capitalised under capital work-in-progress of the Group amounted to RM872,000.

**14. Biological Assets**

	<b>Group</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Cost</b>		
At beginning of financial period/year	835	447
Additions	237	512
Write-off	(389)	(124)
At end of financial period/year	683	835
<b>Accumulated depreciation</b>		
At beginning of financial period/year	72	10
Depreciation charge for the period/year (Note 7)	118	75
Write-off	(39)	(13)
At end of financial period/year	151	72
<b>Net carrying amount</b>	532	763

Biological assets consist of animals used in a petting zoo operated by a subsidiary.

## 15. Investment Properties

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
<b>At valuation</b>				
At beginning of financial period/year	429,469	1,334,370	82,088	81,408
Additions from acquisition	19,599	151,418	720	680
Additions from subsequent expenditure	26,603	111,540	-	-
Transfers from/(to):				
- property, plant and equipment (Note 13)	-	570,545	-	-
- non-current assets classified as held for sale (Note 31)	2,050,220	(2,050,220)	-	-
- inventories	1,574	-	1,574	-
Disposal	(1,530)	-	-	-
Fair value adjustment				
- gain (Note 5)	733,992	311,816	6,807	-
- loss (Note 7)	(543)	-	-	-
Reversal of overaccrued cost	(52,017)	-	-	-
At end of financial period/year	3,207,367	429,469	91,189	82,088

The investment properties under lease terms are as follows:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Long term leasehold land	584,999	37,577	-	48,008
Freehold land	104,089	-	62,089	-
Buildings	2,518,279	391,892	29,100	34,080
	3,207,367	429,469	91,189	82,088

Prior to 31 December 2009, the carrying values of the properties were based on valuation carried out by CH William Talhar & Wong, Knight Frank, City Valuers & Consultants, independent professional valuers and directors' estimation. The carrying values of the properties as at 31 December 2009 are based on valuation carried out by CH William Talhar & Wong, Knight Frank and City Valuers & Consultants. Fair value is determined primarily based on income and comparison approaches.



**15. Investment Properties (contd.)**

Investment properties of the Group with an aggregate carrying value of RM2,768,215,000 (2008: RM357,628,000) are pledged as securities for borrowings as disclosed in Note 32 to the financial statements.

Investment properties comprise a number of commercial properties leased to third and related parties.

In the previous financial year, interest expense capitalised under investment properties of the Group amounted to RM1,914,000.

**16. Prepaid Land Lease Payments**

	Group	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
<b>At cost</b>		
At beginning of financial period/year	20,965	21,367
Amortisation for the period/year (Note 7)	(524)	(402)
Reclassified from non-current assets classified as held for sale (Note 31)	408	-
At end of financial period/year	20,849	20,965

The unexpired portion of the leasehold land as of 31 December 2009 are within the range of 81 years to 89 years (2008: 82 years to 90 years).

Leasehold land with an aggregate carrying value of RM20,407,000 (2008: RM15,321,000) are pledged as securities for borrowings as disclosed in Note 32 to the financial statements.

**17. Land Held for Property Development**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Cost</b>				
At beginning of financial period/year				
Freehold land	175,003	141,471	-	-
Long term leasehold land	35,144	6,983	1,020	1,020
Development costs	184,326	102,554	1,279	1,279
	394,473	251,008	2,299	2,299

## 17. Land Held for Property Development (contd.)

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Exchange difference:				
Freehold land	-	404	-	-
Additions:				
Freehold land	10,212	48,377	-	-
Long term leasehold land	-	28,161	-	-
Development costs	1,405	-	-	-
	11,617	76,538	-	-
Reversal of overaccrued cost:				
Long term leasehold land	(141)	-	-	-
Development costs	-	(212)	-	-
	(141)	(212)	-	-
Reclassified as held for sale (Note 31)	-	(15,249)	-	-
Transfers (to)/from:				
- property development costs (Note 24)	(2,995)	81,984	-	-
<b>Carrying amount at end of financial period/year</b>	<b>402,954</b>	<b>394,473</b>	<b>2,299</b>	<b>2,299</b>

Interest expense capitalised during the financial period under development costs of the Group amounted to RM1,323,000 (2008: RM1,816,000)

Freehold land and related development costs of the Group costing RM80,470,000 (2008: RM35,196,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32 to the financial statements.

**18. Investments in Subsidiaries**

	Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
<b>At cost</b>		
Unquoted ordinary shares	294,556	214,832
Less: Accumulated impairment losses	(6,734)	(7,854)
	287,822	206,978
Unquoted preference shares	521,336	327,034
Less: Accumulated impairment losses	(151,605)	-
Less: Redeemed during the period/year	(93,186)	(8,624)
	276,545	318,410
<b>Net carrying amount at end of financial period/year</b>	<b>564,367</b>	<b>525,388</b>

During the financial period, the Group completed the following acquisitions:

- (a) On 29 April 2009, the Company acquired 100% equity interest in ABS Real Estate Berhad for RM2.00 cash;
- (b) On 21 May 2009, Sunway Medical Centre Berhad acquired 100% equity interest in SunMed Clinics Sdn. Bhd. (formerly known as Favourite Junction Sdn. Bhd.) for RM2.00 cash;
- (c) On 8 June 2009, the Company acquired 100% equity interest in Suncity Vietnam Sdn. Bhd. (formerly known as Mega Methods Sdn. Bhd.) for RM2.00 cash;
- (d) On 24 June 2009, Sunway South Quay Sdn. Bhd. acquired 100% equity interest in Sunway Monash-U Residence Sdn. Bhd. (formerly known as Lake Blooms Sdn. Bhd.) for RM2.00 cash;
- (e) On 24 September 2009, the Company acquired 100% equity interest in Rich Worldclass Sdn. Bhd. for RM2.00 cash; and
- (f) On 31 December 2009, the Company acquired 100% equity interest in Worldclass Symphony Sdn. Bhd. for RM2.00 cash.
- (g) On 31 July 2009, the Company entered into a Trustee Agreement with General Captive International Limited ("GCIL") whereby GCIL holds the 100% equity interest in Sunway City Captive Insurance Limited on trust for the Company. The Company had subscribed for 10 non-cumulative convertible redeemable preference shares of par value USD0.01 for USD1 each (equivalent RM36.00).

The acquired subsidiaries do not have any material effect on the financial results and financial position of the Group.

## 18. Investments in Subsidiaries (contd.)

During the financial period, the Company subscribed to additional shares in the following companies:

- (a) Additional subscription in shares of Sunway Residence Sdn. Bhd., a wholly owned subsidiary amounting to RM99,998, satisfied by cash;
- (b) Additional subscription in shares of Sunway Healthy Lifestyle Sdn. Bhd., a wholly owned subsidiary amounting to RM999,998, satisfied by cash;
- (c) Additional subscription in shares of Sunway Leisure Services Sdn. Bhd. (formerly known as Sunway Security Services Sdn. Bhd.), a wholly owned subsidiary amounting to RM199,998, satisfied by cash;

During the financial period, the Group fully disposed its 70% equity interest in TAH Properties Sdn. Bhd. for cash consideration of RM7,000.

The disposal of the subsidiary did not have any material effect on the financial results and financial position of the Group.

## 19. Amounts Due from Subsidiaries

	Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Interest bearing amounts	665,008	687,747
Non-interest bearing amounts	360,944	638,918
	1,025,952	1,326,665
Less: Allowance for doubtful debts	(123,906)	(144,536)
	902,046	1,182,129

The amounts due from subsidiaries are unsecured and the term of repayment is on demand. The interest bearing amounts bear interest at rates ranging from 3.00% to 7.05% (2008: 3.00% to 7.75%) per annum.



**20. Investments in Associates**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Unquoted shares at cost	19,564	15,538	13,265	13,265
Share of post-acquisition reserves	8,084	(5)	-	-
	27,648	15,533	13,265	13,265
Less: Accumulated impairment losses	-	-	(2,000)	(2,000)
	27,648	15,533	11,265	11,265

Details of the associates are as disclosed in Note 50 to the financial statements.

During the financial period, Sunway City (S'pore) Pte. Ltd., a wholly owned subsidiary acquired 26.32% equity interest in Sunway MAK International Pte. Ltd. for a consideration of IDR50,000,000 (RM4,026,000).

The financial statements of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd. and Aktif-Sunway Sdn. Bhd. which have a financial year end of 31 March and 30 June respectively, to conform with their respective holding company's financial year end. For the purpose of applying the equity method of accounting, the unaudited financial statements of these associates as at 31 December 2009 have been used as there are no significant transactions between the balance sheet dates of their last audited financial statements and 31 December 2009.

The summarised financial information of the associates is as follows:

	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Assets and liabilities</b>		
Current assets	66,935	36,431
Non-current assets	645	461
Total assets	67,580	36,892
Current liabilities	(6,856)	(7,040)
Non-current liabilities	(10)	(5)
Total liabilities	(6,866)	(7,045)
<b>Results</b>		
Revenue	76,158	33,470
Profit for the period/year	16,301	6,858

In previous financial year, the Group disposed of OSC First Holidays Co. Ltd. for a total cash consideration of USD18,000 (approximately RM57,000) and resulted in a loss on disposal of RM59,000.

In previous financial year, the Company acquired 50% equity interest in Glitter Performance Sdn. Bhd. for a cash consideration of RM1.

**21. Investments in Jointly Controlled Entities**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Unquoted shares at cost	84,473	43,536	54,394	13,456
Less: Redeemed during the period/year	(3,456)	-	(3,456)	-
Share of post-acquisition reserves	44,909	21,563	-	-
	125,926	65,099	50,938	13,456

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Principal activity	Proportion of ownership interest	
			2009 %	2008 %
Sunway SPK Homes Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Real Estate (China) Limited	Hong Kong	Property development	60	60
Sunway Opus International Private Limited	India	Property development	50	50
Suncity Medallion JV	Malaysia	Property development	50	50
Suncity Fawanis JV	Malaysia	Property development	50	50

**21. Investments in Jointly Controlled Entities (contd.)**

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities is as follows:

	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
<b>Assets and liabilities</b>		
Current assets	125,234	146,860
Non-current assets	89,825	9,706
Total assets	215,059	156,566
Current liabilities	(14,687)	(68,786)
Non-current liabilities	(87,403)	(33,398)
Total liabilities	(102,090)	(102,184)
<b>Results</b>		
Revenue	186,461	39,856
Expenses, including finance costs and taxation	(136,801)	(31,112)

The detail of goodwill included within the Group's carrying amount of investment in a jointly controlled entity is as follows:

	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Cost</b>		
Arising from investment in a jointly controlled entity and as at 31 December/30 June	10,721	10,721

## 21. Investments in Jointly Controlled Entities (contd.)

In the previous financial year, the Group acquired 50% equity interest in Sunway Opus International Private Limited for a total cash consideration of IDR350,000,000 (approximately RM30,079,398).

As reported in the previous financial year, in relation to the joint venture between the Company and SunwayMas Sdn Bhd ("SunwayMas") to undertake a property development project on a piece of land located in Jiangyin, China through Sunway Real Estate (China) Limited ("Sunway Real Estate") and in furtherance thereof, the Company had entered into the following agreements with SunwayMas:

- (a) Shareholders Agreement on the joint venture of Sunway Real Estate on 27 June 2008; and
- (b) Subscription Agreement dated 11 July 2008 for the subscription of new ordinary shares of HK\$1.00 each and new redeemable preference shares ("RPS") of HK\$0.01 each at an issue price of HK\$1.00 each in Sunway Real Estate.

Subsequently on 27 June 2008, Sunway Real Estate had, entered into the Master Agreement, Equity Joint Venture Agreement, Share Capital Subscription Agreement and Articles of Association of Jiangyin Guang Hao Real Estate Development Co. Ltd. ("Jiangyin Guanghao") with Shanghai Guang Hao Real Estate Development Group Co. Ltd. ("Shanghai Guanghao") and Jiangyin Guanghao on the joint venture between Sunway Real Estate and Shanghai Guanghao in Jiangyin Guanghao (collectively referred to as "the Definitive Agreements").

During the current financial year, the Company and SunwayMas had on 27 August 2009, entered into a Supplemental Agreement to the Subscription Agreement dated 11 July 2008 with Sunway Real Estate to extend the conditions fulfilment period to 31 August 2009 and to change the total number of RPS to be subscribed by the Company and SunwayMas in Sunway Real Estate as follows:

- (a) the Company will subscribe for 89,659,158 RPS instead of 88,800,000 RPS; and
- (b) SunwayMas will subscribe for 60,675,949 RPS instead of 59,200,000 RPS.

With all the conditions precedent stated in the Subscription Agreement (as amended by the Supplemental Agreement) having been fulfilled, the Company and SunwayMas had on 27 August 2009, subscribed for the balance of 9,990 ordinary shares of HK\$1.00 each and 120,873,350 RPS of HK\$0.01 each at an issue price of HK\$1.00 each in Sunway Real Estate, details as set out below:

Name of shareholders	Ordinary	RPS	Percentage of shareholding
	shares		
Suncity	5,994	71,982,104	60%
SunwayMas	3,996	48,891,246	40%
	9,990	120,873,350	100%

The Company and SunwayMas had earlier subscribed for 17,677,054 RPS and 11,784,703 RPS respectively.

Upon fulfillment of all the conditions precedent stated in the Definitive Agreements, Sunway Real Estate had on 27 August 2009, fully subscribed for the balance of its portion of shares in Jiangyin Guanghao for a total cash subscription of RMB104,000,000 (equivalent to approximately RM53.8 million) pursuant to the terms of the Definitive Agreements.

Consequently, Jiangyin Guanghao has become a 65% owned subsidiary of Sunway Real Estate.



**22. Goodwill**

	<b>Group</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Cost</b>		
At beginning of financial period/year	31,867	31,867
Acquisition of additional equity interest in a subsidiary	8	-
At end of financial period/year	31,875	31,867
Less: Accumulated amortisation and impairment	(8,840)	(8,840)
<b>Net carrying amount</b>	<b>23,035</b>	<b>23,027</b>

**Allocation of goodwill**

Goodwill has been allocated to the Group's CGUs, all operating in Malaysia, according to business segments as follows:

	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Property investment	6,159	6,159
Hospitality	12,005	11,997
Healthcare	4,871	4,871
	<b>23,035</b>	<b>23,027</b>

**Key assumptions used in value-in-use calculations**

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the growth rates stated below. The key assumptions used for value-in-use calculations are:

	<b>Property development %</b>	<b>Property investment %</b>	<b>Leisure %</b>	<b>Hospitality %</b>	<b>Healthcare %</b>
<b>At 31 December 2009</b>					
Gross margin	26.3	64.7	26.7	30.3	15.1
Growth rate	12.3	6.0	7.2	5.6	37.3
Discount rate	10.0	10.0	10.0	10.0	10.0
<b>At 30 June 2008</b>					
Gross margin	31.6	67.3	24.2	39.4	17.5
Growth rate	22.5	5.7	12.5	6.1	16.8
Discount rate	8.0	8.0	8.0	8.0	8.0

## 22. Goodwill (contd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- (i) Budgeted gross margin  
The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.
- (ii) Growth rate  
The weighted average growth rates used are consistent with the long-term average growth rate for the industry.
- (iii) Discount rate  
The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

### Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the business segments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

## 23. Other Investments

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
At cost				
Unquoted ordinary shares	6,019	-	-	-
Unquoted preference shares	10,853	-	10,853	-
Corporate membership	23	-	-	-
	16,895	-	10,853	-

**24. Property Development Costs**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
<b>Cumulative property development costs</b>				
At beginning of financial period/year				
Freehold land	244,776	231,794	-	-
Long term leasehold land	240,670	237,076	2,120	2,120
Development costs	1,618,242	1,491,905	135,901	94,641
	2,103,688	1,960,775	138,021	96,761
Costs incurred during the period/year:				
Freehold land	-	15,703	-	-
Long term leasehold land	52,785	3,594	-	-
Development costs	474,630	397,538	16,727	41,260
	527,415	416,835	16,727	41,260
Exchange difference	29	-	-	-
Reversal of overaccrued cost:				
Freehold land	(1,966)	(2,712)	-	-
Long term leasehold land	(186)	-	-	-
	(2,152)	(2,712)	-	-
Transfers from/(to):				
- property, plant and equipment (Note 13)	-	(9)	-	-
- land held for property development (Note 17)	2,995	(81,984)	-	-
- inventories	(315)	(21,137)	(315)	-
	2,680	(103,130)	(315)	-
Disposal:				
Freehold land	(6,972)	-	-	-
Reversal of completed projects	(703,753)	(168,080)	(84,097)	-
At end of financial period/year	1,920,935	2,103,688	70,336	138,021
<b>Accumulated impairment losses</b>				
At beginning of financial period/year				
Development costs	(1,577)	(1,577)	-	-

**24. Property Development Costs (contd.)**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
<b>Cumulative costs recognised in income statement</b>				
At beginning of financial period/year	(1,782,984)	(1,490,918)	(117,312)	(89,188)
Recognised during the period/ year (Note 4)	(309,105)	(460,146)	(22,580)	(28,124)
Reversal of completed projects	703,753	168,080	84,097	-
At end of financial period/year	(1,388,336)	(1,782,984)	(55,795)	(117,312)
<b>Property development costs at end of financial period/year</b>	<b>531,022</b>	<b>319,127</b>	<b>14,541</b>	<b>20,709</b>

Interest expense capitalised during the financial period under development costs of the Group amounted to RM12,062,000 (2008: RM931,000).

Freehold land of the Group costing RM25,975,000 (2008: RM87,633,000) is pledged to financial institutions as securities for borrowings as disclosed in Note 32 to the financial statements.

Long term leasehold land of the Group costing RM537,932,000 (2008: RM9,597,000) is pledged to financial institutions as securities for borrowings as disclosed in Note 32 to the financial statements.

**25. Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Properties held for sale	40,349	43,594	10,912	12,171
Trading inventories	6,109	4,654	-	-
Food and beverages	1,832	2,073	-	-
Consumables	2,381	1,999	-	-
	<b>50,671</b>	<b>52,320</b>	<b>10,912</b>	<b>12,171</b>



**26. Trade Receivables**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Trade receivables	211,035	216,633	6,270	3,530
Accrued billings in respect of property development costs	-	1,845	-	-
	211,035	218,478	6,270	3,530
Less: Allowance for doubtful debts	(50,574)	(9,155)	(239)	(476)
	160,461	209,323	6,031	3,054

Included in trade receivables are the following amounts due from related parties:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Sunway Holdings Berhad ("Sunway Holdings") Group	2,021	2,486	11	39
Sunway Technology Sdn. Bhd. Group	29	80	-	-
Sunway Education Group Sdn. Bhd. Group	1,241	1,663	53	-
Dekon Holdings Sdn. Bhd. Group	114	172	7	-
Asian Strategy & Leadership Incorporated Sdn. Bhd.	6	-	-	-
Jef-San Enterprise Sdn. Bhd.	2	-	-	-
Adasia (M) Sdn. Bhd.	1	-	-	-

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 49 to the financial statements.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 14 days to 30 days (2008: 14 days to 30 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.

**27. Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
Deposits	17,267	9,838	1,777	980
Prepayments	21,956	7,456	10,358	418
Sundry receivables	32,479	58,777	9,149	42,743
Amount due from joint venture partners	67,588	67,588	67,588	67,588
	139,290	143,659	88,872	111,729
Less: Allowance for doubtful debts	(4,033)	(4,021)	(3,894)	(3,822)
	135,257	139,638	84,978	107,907

Included in sundry receivables are the following amounts due from related parties:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Sunway Holdings Group	608	2,486	38	32
PRK Builders Sdn. Bhd.	-	-	-	79
Sunway Education Group				
Sdn. Bhd. Group	953	439	789	-
Dekon Holdings Sdn. Bhd. Group	304	7	8	1
Perbadanan Kemajuan Negeri				
Selangor	124	-	-	-
Adasia (M) Sdn. Bhd.	1	-	-	-
Akitek Akiprima Sdn. Bhd.	1	-	-	-

The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment except for RM91,000 (2008: RM302,000) due from Sunway Holdings Group to the Group and the Company which bears interest at 6.55% (2008: 8.5%) per annum, in respect of a joint venture arrangement undertaken with Sunway Construction Sdn. Bhd.. The relationship with the above related parties is as disclosed in Note 49 to the financial statements.

**27. Other Receivables (contd.)**

The amount due from joint venture partners are unsecured, non-interest bearing and have no fixed terms of repayment.

Deposits of the Group include deposits paid amounting to RM2,049,000 (2008: RM275,000) for the acquisition of land. During the financial period, RM4,535,000 was paid for the acquisition of property, plant and equipment by a subsidiary.

Prepayment of the Group include down payments amounting to RM1,732,000 for the acquisition of property, plant and equipment by a subsidiary.

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 other than as disclosed above.

**28. Amounts Due from/(to) Associates**

The amounts due from/(to) associates of the Group and of the Company are unsecured, non-interest bearing and the term of repayment is on demand.

**29. Amounts Due from Jointly Controlled Entities**

The amounts due from jointly controlled entities of the Group and of the Company is unsecured, non-interest bearing and the term of repayment is on demand.

**30. Cash and Bank Balances**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
Cash on hand and at banks	275,647	377,686	39,374	53,612
Deposits with:				
Licensed banks	114,289	133,844	238	26,791
Other financial institutions	48,114	37,500	-	-
Cash and bank balances	438,050	549,030	39,612	80,403

Included in cash at banks of the Group and of the Company are amounts of RM151,614,000 (2008: RM246,188,000) and RM11,719,000 (2008: RM22,139,000) respectively held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

## Notes to the Financial Statements 31 December 2009

### 30. Cash and Bank Balances (contd.)

The weighted average effective interest rate of deposits with licensed banks and other financial institutions of the Group and of the Company at the balance sheet date are 2.53% (2008: 3.25%) and 1.98% (2008: Nil) respectively.

The range of maturities of deposits with licensed banks and other financial institutions of the Group and of the Company are 1 day to 30 days (2008: 1 day to 30 days).

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Cash and bank balances	438,050	549,030	39,612	80,403
Bank overdrafts (Note 32)	(7,692)	(5,102)	-	-
Total cash and cash equivalents	430,358	543,928	39,612	80,403

### 31. Non-Current Assets Classified as Held for Sale

	Group	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
At beginning of financial period/year	2,537,358	17,295
Reclassified (to)/from:		
Land held for property development (Note 17)		
- freehold land	-	15,249
Investment properties (Note 15)	(2,050,220)	2,050,220
Property, plant and equipment (Note 13)	(454,186)	454,594
Prepaid land lease payments (Note 16)	(408)	-
Disposal	(32,544)	-
At end of financial period/year	-	2,537,358

In the previous financial year, non-current assets held for sale with an aggregate carrying amount of RM1,797,851,000 were pledged to financial institutions as securities for borrowings as disclosed in Note 32 to the financial statements.

In the previous financial year, non-current assets held for sale with an aggregate carrying amount of RM2,535,000,000 were in relation to the proposed initial public offering of the Company's Real Estate Investment Trust.



**32. Borrowings**

	Note	Group	Company		
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)		1.7.2008 to 31.12.2009 RM'000
Short term borrowings					
Secured:					
Bank overdrafts		7,692	2,388	-	-
Revolving credits		70,500	-	68,500	-
Term loans		117,544	328,769	42,809	20,400
		195,736	331,157	111,309	20,400
Unsecured:					
Bank overdrafts		-	2,714	-	-
Revolving credits		-	38,000	-	38,000
Term loans		225,000	38,000	225,000	38,000
Medium term notes		84,984	114,935	84,984	114,935
Bonds		196,233	49,124	196,233	49,124
		506,217	242,773	506,217	240,059
		701,953	573,930	617,526	260,459
Long term borrowings					
Secured:					
Term loans		871,562	433,856	-	13,600
Unsecured:					
Term loans		-	75,000	-	75,000
Medium term notes		-	239,229	-	239,229
Bonds		-	188,620	-	188,620
		-	502,849	-	502,849
		871,562	936,705	-	516,449
Total borrowings					
Bank overdrafts	30	7,692	5,102	-	-
Revolving credits	(a)	70,500	38,000	68,500	38,000
Term loans	(b)	1,214,106	875,625	267,809	147,000
Medium term notes	(c)	84,984	354,164	84,984	354,164
Bonds	(d)	196,233	237,744	196,233	237,744
		1,573,515	1,510,635	617,526	776,908

**32. Borrowings (contd.)**

- (a) The revolving credits bear a weighted average effective interest rate of 3.93% (2008: 5.06%) per annum. Revolving credits in the previous financial year which were due to be repaid within the next twelve (12) months but were rolled over subsequent to the financial year end were treated as short term borrowings.
- (b) Details of the term loans are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000 (restated)</b>
Type 1	42,809	12,000	42,809	12,000
Type 2	8,016	15,397	-	-
Type 3	49,347	30,881	-	-
Type 4	1,318	7,200	-	-
Type 5	129,320	132,000	-	-
Type 6	22,500	30,000	-	-
Type 7	18,900	22,961	-	-
Type 8	46,448	3,566	-	-
Type 9	74,413	33,432	-	-
Type 10	150,000	-	150,000	-
Type 11	-	22,000	-	22,000
Type 12	12,175	14,425	-	-
Type 13	125,500	116,880	-	-
Type 14	283,300	266,100	-	-
Type 15	1,360	26,248	-	-
Type 16	-	7,500	-	-
Type 17	25,000	25,000	25,000	25,000
Type 18	14,310	-	-	-
Type 19	30,000	30,000	30,000	30,000
Type 20	-	38,000	-	38,000
Type 21	20,000	20,000	20,000	20,000
Type 22	1,390	2,035	-	-
Type 23	129,000	20,000	-	-
Type 24	11,000	-	-	-
Type 25	18,000	-	-	-
	<b>1,214,106</b>	<b>875,625</b>	<b>267,809</b>	<b>147,000</b>

**32. Borrowings (contd.)**

(b) The maturity of the term loans are as follows:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Not later than 1 year	342,544	366,769	267,809	58,400
Later than 1 year and not later than 2 years	177,405	91,693	-	17,899
Later than 2 years and not later than 3 years	56,710	61,073	-	40,701
Later than 3 years and not later than 4 years	54,309	49,537	-	30,000
Later than 4 years and not later than 5 years	39,902	18,026	-	-
Later than 5 years	543,236	288,527	-	-
	1,214,106	875,625	267,809	147,000

Details of the terms of repayment and weighted average effective interest rates of the term loans are as follows:

Loan	Name of Companies	Weighted average effective interest rate 2009/2008 (%)	Repayment terms	Commencement of repayment
Type 1	Sunway City Berhad	5.5 / 5.70	Bullet repayment	May 2010
Type 2	Sunway Medical Centre Berhad	7.59 / 5.39	5 years	January 2007
Type 3	Sunway Medical Centre Berhad	6.84 / 5.39	5 years	November 2008
Type 4	Sunway Grand Sdn. Bhd.	3.88 / 5.70	2 years	September 2008
Type 5	Sunway Platinum Success Sdn. Bhd.	4.44 / 5.19	40 quarterly repayments	September 2009
Type 6	Sunway Resort Hotel Sdn. Bhd.	3.75 / 3.75	7 years	August 2007
Type 7	Sunway Lagoon Water Park Sdn. Bhd.	3.75 / 3.75	10 years	April 2007

**32. Borrowings (contd.)**

- (b) Details of the terms of repayment and weighted average effective interest rates of the term loans are as follows (contd.):

<b>Loan</b>	<b>Name of Companies</b>	<b>Weighted average effective interest rate 2009/2008 (%)</b>	<b>Repayment terms</b>	<b>Commencement of repayment</b>
Type 8	Sunway D'Mont Kiara Sdn. Bhd.	7.75 / 7.50	2 years - by way of redemption	August 2008
Type 9	Sunway South Quay Sdn. Bhd.	4.71 / 5.45	60 monthly repayments or by way of redemption	June 2008
Type 10	Sunway City Berhad	4.79 / -	Bullet repayment	March 2010
Type 11	Sunway City Berhad	8.75 / 8.75	13 months or by way of redemption	July 2008
Type 12	Peluang Klasik (M) Sdn. Bhd.	5.08 / 5.61	10 years	May 2006
Type 13	Sunway Carnival Sdn. Bhd.	4.71 / 5.59	Bullet repayment	June 2009
Type 14	Sunway Pyramid Sdn. Bhd.	4.06 / 5.10	Bullet repayment	April 2016
Type 15	Sunway Melawati Sdn. Bhd.	6.5 / 8.00	10 months	December 2013
Type 16	Sunway Crest Sdn. Bhd.	- / 7.75	3 quarterly repayments or bullet repayment	July 2008
Type 17	Sunway City Berhad Sdn. Bhd.	5.41 / 5.27	Bullet repayment	February 2011
Type 18	Kinta Sunway Resort Sdn. Bhd.	3.75 / -	44 quarterly repayments	March 2011
Type 19	Sunway City Berhad	5.41 / 5.27	Bullet repayment	February 2012
Type 20	Sunway City Berhad	6.65 / 6.65	Bullet repayment	May 2009



**32. Borrowings (contd.)**

- (b) Details of the terms of repayment and weighted average effective interest rates of the term loans are as follows (contd.):

<b>Loan</b>	<b>Name of Companies</b>	<b>Weighted average effective interest rate 2009/2008 (%)</b>	<b>Repayment terms</b>	<b>Commencement of repayment</b>
Type 21	Sunway City Berhad	5.41 / 5.27	Bullet repayment	January 2010
Type 22	Sunway International Vacation Club Berhad	8.50 / 8.50	5 years	October 2007
Type 23	Sunway Tower 2 Sdn. Bhd.	4.70 / 4.70	37 quarterly repayments	March 2009
Type 24	Sunway Grand Sdn. Bhd.	4.13 / -	Bullet repayment or by way of redemption	February 2010
Type25	Sunway Grand Sdn. Bhd.	3.88 / -	8 quarterly repayments or by way of redemption	March 2010

- (c) RM100 million nominal value unsecured murabahah commercial paper ("MCP") and RM500 million nominal value unsecured murabahah medium term notes ("MMTNs") (collectively, the "Islamic Notes")

There is no MCP issued by the Company for the current financial period.

During the previous financial year, the Company has issued unsecured MMTNs which bear interest rates ranging from 5.30% to 5.75% and have maturity periods ranging from two (2) to three (3) years.

The tenure of the MCP is for a period of seven (7) years from the date of first issue and MMTNs is for a period of fifteen (15) years from the date of first issue, that is, 8 October 2007. The Company may issue MCPs with tenors of minimum of one (1) month to a maximum of twelve (12) months, any number of months in between, and MMTNs with tenors minimum of one (1) year to a maximum of ten (10) year, any number of years in between, with face amount not less than RM10,000,000, in multiple of RM1,000,000, provided that such Islamic Notes shall not mature beyond the tenure of the Islamic Notes Programme. The Islamic Notes may be issued at par or at a discount to or premium over par. In the case where MMTNs are issued on an interest-bearing basis, such MMTNs will have attached to them the Islamic Coupons. The Islamic Coupons are payable monthly, quarterly, semi-annually or annually in arrears. The Islamic Coupons may (but need not) be detached and traded independently of the MMTNs.

**32. Borrowings (contd.)**

- (c) RM100 million nominal value unsecured murabahah commercial paper ("MCP") and RM500 million nominal value unsecured murabahah medium term notes ("MMTNs") (collectively, the "Islamic Notes")

The Islamic Notes and the Islamic Coupons constitute direct, unconditional, unsecured and unsubordinated obligations of the Company. The Islamic Notes will rank at least equally and rateably in all respects to all other unsecured and unsubordinated obligations of the Company except liabilities which are preferred by mandatory provisions of law.

Details of the outstanding MTNs and MMTNs are as follows:

	Group/Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
MTNs - unsecured:		
Par value issued	-	140,000
Less: Discount on issuance, net of amortisation	-	(141)
	-	139,859
MMTNs - unsecured:		
Par value issued	85,000	215,000
Less: Discount on issuance, net of amortisation	(16)	(695)
	84,984	214,305
Total	84,984	354,164

- (d) During the previous financial year, the Company has issued RM250 million nominal value of up to 3 years 2.00% redeemable bank guaranteed serial bonds ("Bonds") with up to 155,932,500 detachable provisional rights to allotment of warrants as disclosed in Note 41.

Details of outstanding Bonds are as follows:

	Group/Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Par value issued	200,000	250,000
Less: Discount on issuance, net of amortisation	(3,767)	(12,256)
	196,233	237,744

The secured borrowings of the Group and of the Company are secured by legal charges on land as well as fixed and floating charges on assets of the Group and of the Company amounting to RM3,478,844,000 (2008: RM2,485,226,000) and RM Nil (2008: RM28,623,000) respectively as disclosed in Notes 13, 15, 16, 17, 24 and 31 to the financial statements.

**33. Long-term Liabilities**

	Note	Group	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Redeemable preference shares issued by a subsidiary:	(a)		
At end of financial period/year		-	22,664
Redeemable within 1 year	39	-	(16,071)
Redeemable after 1 year		-	6,593
Deferred income:	(b)		
At end of financial period/year		16,503	15,756
To be recognised within 1 year	39(b)	(574)	(4,337)
To be recognised after 1 year		15,929	11,419
Refundable deposits	(c)	16,683	16,692
Liability portion of the redeemable preference shares held by minority shareholders	(d)	7,143	28,974
		39,755	63,678

- (a) Redeemable preference shares issued by a subsidiary, Sunway Pyramid Sdn. Bhd., comprise 20% Cumulative Redeemable Preference Shares ("CRPS") of RM0.10 each issued to its minority shareholder. The CRPS are to be mandatorily redeemed semi-annually at RM2.79 per share over a period of seven (7) years commencing April 2003 and bear an effective interest rate of 0.72% (2008: 0.72%) per annum. The CRPS was fully redeemed in 2009:

	Group	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Not later than 1 year	-	16,071
Later than 1 year and not later than 2 years	-	6,593
	-	22,664

- (b) Deferred income represents deferred timeshare membership fees which are to be recognised over the membership period.
- (c) Refundable deposits are in respect of deposits received by subsidiaries for tenancy contracts for a tenure of two (2) to three (3) years.

## 33. Long-term Liabilities (contd.)

(d)	Note	Group	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
5% Cumulative Redeemable Preference Shares A	(i)	-	21,831
5% Redeemable Convertible Preference Shares	(ii)	7,143	7,143
		7,143	28,974

- (i) 5% Cumulative Redeemable Preference Shares A issued by Sunway Damansara Sdn. Bhd. confer on the holders the right to cumulative preferential dividends of 5% which rank in priority to ordinary dividends. These shares are redeemable in cash at par at the option of the Company after 15 May 1999, provided always that neither the whole nor part of these shares may be redeemed until and unless all 5% Cumulative Preference Shares B have been redeemed. The 5% Cumulative Redeemable Preference Shares A was fully redeemed in 2009.
- (ii) 5% Redeemable Convertible Preference Shares issued by Sunway Tunas Sdn. Bhd. confer on the holders the right to cumulative preference dividends of 5% which rank in priority to ordinary dividends. These shares are redeemable in cash at par at the option of the Company or convertible to ordinary shares on the basis of one convertible preference shares of RM1 each any time after 16 May 1999.

## 34. Advances by Minority Shareholders of Subsidiaries

Included in advances by minority shareholders of subsidiaries is contribution of RM127,502,000 (2008: RM127,502,000) by minority shareholders of a subsidiary, Sunway South Quay Sdn. Bhd. ("SSQSB") pursuant to a Musyarakah Shareholders' Agreement entered into with its shareholders.

Under the Musyarakah Shareholders' Agreement, Musyarakah Profit equivalent to shareholders profit yield of not less than 5.50% (2008: 5.50%) per annum shall be paid from the Distributable Profits of SSQSB to the extent practicable.

The contribution shall be repaid from Distributable Profits of SSQSB commencing from 31 December 2007 over a period of six (6) years as and when any cash surplus is available.

The other advances by minority shareholders of subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment. In the previous financial year, the advances were stated net of certain minority shareholders' share of losses and exchange reserve in a subsidiary amounting to RM5,298,000.



**35. Amounts Due to Subsidiaries**

The amounts due to subsidiaries are unsecured, on demand repayment term and bear interest at rates ranging from 3.35% to 7.50% (2008: 3.35% to 7.25%) per annum except for RM194,444,000 (2008: RM76,689,000) which is non-interest bearing.

**36. Hire Purchase and Finance Lease Liabilities**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
<b>Future minimum lease payments:</b>				
Not later than 1 year	8,488	4,582	388	556
Later than 1 year and not later than 2 years	6,968	3,411	105	455
Later than 2 years and not later than 3 years	5,592	1,848	-	282
Later than 3 years and not later than 4 years	4,735	867	-	3
Later than 4 years and not later than 5 years	3,005	333	-	-
Later than 5 years	5	23	-	-
Total future minimum lease payments	28,793	11,064	493	1,296
Less: Future finance charges	(3,341)	(1,105)	(20)	(104)
Present value of finance lease liabilities	25,452	9,959	473	1,192

**36. Hire Purchase and Finance Lease Liabilities (contd.)**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Analysis of present value of finance lease liabilities:</b>				
Not later than 1 year	7,083	3,980	369	492
Later than 1 year and not later than 2 years	5,983	3,101	104	423
Later than 2 years and not later than 3 years	5,004	1,713	-	274
Later than 3 years and not later than 4 years	4,435	816	-	3
Later than 4 years and not later than 5 years	2,942	327	-	-
Later than 5 years	5	22	-	-
	25,452	9,959	473	1,192
Less: Amount due within 12 months	(7,083)	(3,980)	(369)	(492)
Amount due after 12 months	18,369	5,979	104	700

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 13. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease. There are no restrictions placed upon the Group by entering into these leases and no arrangements have been entered into for contingent rental payments.

RM11,517,000 (2008: RM10,116,000) and RM472,000 (2008: RM1,163,000) of the gross amounts of the hire purchase and finance lease liabilities of the Group and of the Company respectively are due to the subsidiaries of Sunway Holdings Group, Sunway Credit Sdn. Bhd. and Sunway Leasing Sdn. Bhd.. The relationship with the related party is as disclosed in Note 49.

The hire purchase and finance lease liabilities of the Group and of the Company attracted interest at rates ranging from 3.21% to 5.00% (2008: 2.40% to 5.50) and 3.30% to 4.00% (2008: 3.30% to 4.00%) respectively.

**37. Deferred Tax**

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
At beginning of financial period/year	235,974	142,490	10,139	5,069
Recognised in income statement (Note 10)	176,871	93,484	(789)	5,070
At end of financial period/year	412,845	235,974	9,350	10,139
Presented after appropriate offsetting as follows:				
Deferred tax assets	(22,175)	(13,139)	-	-
Deferred tax liabilities	435,020	249,113	9,350	10,139
	412,845	235,974	9,350	10,139

The components and movements of deferred tax liabilities and assets during the financial period/year prior to offsetting are as follows:

**Deferred tax liabilities of the Group:**

	Property, plant and equipment RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 July 2008	37,445	234,364	487	272,296
Recognised in income statement	(9,850)	210,651	(63)	200,738
At 31 December 2009	27,595	445,015	424	473,034
At 1 July 2007	91,900	146,177	-	238,077
Prior year adjustments	-	208	-	208
	91,900	146,385	-	238,285
Recognised in income statement	(54,455)	87,979	487	34,011
At 30 June 2008	37,445	234,364	487	272,296

**37. Deferred Tax (contd.)****Deferred tax assets of the Group:**

	Progress billings RM'000	Tax losses and unabsorbed capital allowances RM'000	Unrealised profit RM'000	Accumulated impairment losses RM'000	Others RM'000	Total RM'000
At 1 July 2008	(664)	(22,672)	(16,707)	(1,067)	4,788	(36,322)
Recognised in income statement	(2,563)	(10,584)	-	(88)	(10,632)	(23,867)
At 31 December 2009	(3,227)	(33,256)	(16,707)	(1,155)	(5,844)	(60,189)
At 1 July 2007	(1,337)	(21,759)	(16,734)	(31)	(55,934)	(95,795)
Recognised in income statement	673	(913)	27	(1,036)	60,722	59,473
At 30 June 2008	(664)	(22,672)	(16,707)	(1,067)	4,788	(36,322)



**37. Deferred Tax (contd.)****Deferred tax liabilities of the Company:**

	Property, plant and equipment RM'000	Investment properties RM'000	Total RM'000
At 1 July 2007	372	16,577	16,949
Recognised in income statement	(14)	(637)	(651)
At 1 July 2008	358	15,940	16,298
Recognised in income statement	87	1,700	1,787
At 31 December 2009	445	17,640	18,085

**Deferred tax assets of the Company:**

	At 1 July 2007 RM'000	Recognised in income statement RM'000	At 1 July 2008 RM'000	Recognised in income statement RM'000	At 31 December 2009 RM'000
Unused tax loss	-	(5,457)	(5,457)	(2,164)	(7,621)
Unabsorbed capital allowances	(161)	(229)	(390)	(374)	(764)
Receivables/payables	(11,719)	11,407	(312)	(38)	(350)
	(11,880)	5,721	(6,159)	(2,576)	(8,735)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Unused tax losses	19,676	31,639	-	-
Unabsorbed capital allowances	51,646	122,969	-	-
Other deductible temporary differences	391,935	414,938	-	-
	463,257	569,546	-	-

## 37. Deferred Tax (contd.)

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiaries and the Company in which those items arose is subject to no substantial changes in shareholdings of the respective companies under Section 44(5A) and 5(B) of the Income Tax Act, 1967. 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.

## 38. Trade Payables

Included in trade payables are the following amounts due to related parties:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Sunway Holdings Group	10,571	28,853	142	1,892
Sunway Technology Sdn. Bhd. Group	56	1	-	-
Perbadanan Kemajuan Negeri Selangor Group	-	1,262	-	-
Sunway Education Group Sdn. Bhd. Group	-	36	-	-
Dekon Holdings Sdn. Bhd. Group	36,846	27,271	9	365

The amounts due to related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 49 to the financial statements.

The normal trade credit terms granted to the Group and the Company range from 15 days to 90 days (2008: 15 days to 90 days) and 30 days (2008: 30 days) respectively.

**39. Other Payables**

	Note	Group		Company	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Sundry payables	(a)	159,487	147,545	60,507	59,877
Amounts due to contractors and consultants	(a)	11,469	4,869	4	632
Cumulative redeemable preference shares issued by a subsidiary	33	-	16,071	-	-
Accruals		98,644	180,311	14,921	19,602
Refundable deposits		62,753	61,249	1,049	912
Progress billings in respect of property development costs		1,193	-	-	-
Dividends payable to minority shareholders of subsidiaries		7,205	5,707	-	-
Deferred income	(b)	574	4,337	-	-
Balance consideration for acquisition of land		-	1,129	-	-
		341,325	421,218	76,481	81,023

- (a) Included in sundry payables and amounts due to contractors and consultants are the following amounts due to related parties:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Sunway Holdings Group	27,312	30,121	766	2,868
Sunway Technology Sdn. Bhd. Group	111	423	-	-
Sunway Education Group				
Sdn. Bhd. Group	6,676	6,191	13	-
Dekon Holdings Sdn. Bhd. Group	3,928	2,882	4	289
Korporasi Tunas Muda Sungai				
Ara Berhad Group	23	-	-	-
Perbadanan Kemajuan Negeri				
Selangor	26	-	-	-
Adasia (M) Sdn. Bhd.	67	-	2	-

The relationship with the above related parties is as disclosed in Note 49 to the financial statements.

**39. Other Payables (contd.)**

(b) Included in deferred income of the Group are:

	Group	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Deferred timeshare membership fees (Note 33)	574	4,337

**40. Share Capital**

Note	Group/Company Number of shares of RM1 each		Group/Company Amount	
	1.7.2008 to 31.12.2009 '000	1.7.2007 to 30.6.2008 '000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
<b>Authorised</b>				
Ordinary shares of RM1 each	800,000	800,000	800,000	800,000
6.6% Cumulative Convertible Preference Shares of RM1 each	200,000	200,000	200,000	200,000
	1,000,000	1,000,000	1,000,000	1,000,000
<b>Issued and fully paid</b>				
Ordinary shares of RM1 each:				
At beginning of financial period/year	469,919	463,444	469,919	463,444
Issued during the period/year				
pursuant to ESOS (a), (b)	2	3,998	2	3,998
Issued during the period/year				
pursuant to exercise of warrants (a), 41	31	2,477	31	2,477
At end of financial period/year	469,952	469,919	469,952	469,919



**40. Share Capital (contd.)**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial period, the Company increased its issued and paid-up share capital from RM469,918,532 to RM469,951,432 by way of the issuance of:
  - (i) 2,000 new ordinary shares of RM1 each issued to eligible employees of the Group under the Employees' Share Option Scheme at an exercise price of RM1.00 per ordinary share respectively for cash; and
  - (ii) 30,900 new ordinary shares of RM1 each pursuant to the exercise of warrants at an exercise price of RM4.87 per ordinary share for cash.

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

- (b) The Sunway City Berhad Employees' Share Option Scheme ("the Scheme") was implemented on 22 September 2003 and is governed by the by-laws approved by the shareholders on 26 August 2003. The Scheme is for eligible employees (including Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (i) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company (or such other higher percentage as may be permitted by the relevant regulatory authorities, from time to time) at the time of the offer of options under the Scheme;
- (ii) Only Directors and eligible employees of the Company and of the Group will be eligible to participate in the Scheme;
- (iii) The price payable upon exercise of an option granted under the Scheme will be based on the five-day weighted average market price of the Company's shares at the time the offer is granted with a discount of not more than 10% if deemed appropriate or the par value of the Company's shares, whichever is higher;
- (iv) The duration of the Scheme is ten (10) years from the date of its commencement;
- (v) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on seniority, performance and length of service and the offer shall be valid for acceptance by an employee for a period of thirty days from the date of offer; and

**40. Share Capital (contd.)**

- (b) (vi) The options granted may be exercised in the following manner:

Number of options granted	Maximum percentage of total options exercisable		
	Year 1	Year 2	Year 3
Below 20,000	100%	-	-
20,000 and above	40%*	30%	30%#

\* 40% or 20,000 options, whichever is higher

# 30% or the remaining number of options unexercised

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

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options during the period/year:

	Outstanding at 1 July '000	Granted '000	Exercised '000	Forfeited '000	Outstanding at 31 December '000	Exercisable at 31 December '000
<b>2009</b>						
First offer	98	-	(2)	-	96	96
Fourth offer	2,836	-	-	(454)	2,382	2,382
Fifth offer	36	-	-	-	36	36
	2,970	-	(2)	(454)	2,514	2,514
WAEP (RM)	4.67	-	1.00	4.82	4.65	4.65

**40. Share Capital (contd.)**

(b)

	Outstanding at 1 July '000	Granted '000	Exercised '000	Forfeited '000	Outstanding at 30 June '000	Exercisable at 30 June '000
<b>2008</b>						
First offer	2,732	-	(2,573)	(61)	98	98
Second offer	1,420	-	(1,420)	-	-	-
Third offer	5	-	(5)	-	-	-
Fourth offer	-	2,951	-	(115)	2,836	2,836
Fifth offer	-	36	-	-	36	36
	4,157	2,987	(3,998)	(176)	2,970	2,970
WAEP (RM)	1.05	4.80	1.05	3.50	4.67	4.67

Details of share options outstanding at the end of the period/year:

	WAEP (RM)	Exercise period
<b>31 December 2009/30 June 2008</b>		
First offer	1.00	22.9.2003 to 21.9.2013
Second offer	1.15	31.1.2004 to 21.9.2013
Third offer	1.86	14.5.2004 to 21.9.2013
Fourth offer	4.82	24.12.2007 to 21.9.2013
Fifth offer	3.00	21.5.2008 to 21.9.2013

Share options exercised during the financial period/year resulted in the issuance of 2,000 (2008: 3,998,000) ordinary shares at an average price of RM1.00 (2008: RM1.05) each. The related weighted average share price at the date of exercise was RM3.12 (2008: RM4.36).

**40. Share Capital (contd.)**

- (b) The fair value of share options granted on the previous financial year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	<b>ESOS - 30.6.2008</b>	
	<b>Fifth offer</b>	<b>Fourth Offer</b>
Option price (RM)	3.00	4.82
Fair value of share options at the following grant date:		
- 24 December 2007 (RM)	-	4.02
- 21 May 2008 (RM)	3.08	-
Weighted average share price (RM)	4.26	4.99
Expected volatility (%)	46.27%	42.11%
Expected life (years)	5	5
Risk free rate (%)	3.46%	3.46%
Expected dividend yield (%)	2.7%	2.7%

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

**41. Warrants**

There is no warrant issued by the Company for the current financial period. The Company issued 155,805,276 warrants at an issue price of RM0.15 per warrant for cash on the basis of one (1) warrant for every three (3) ordinary shares of RM1.00 each held in the Company in the previous financial year.

The warrants entitle the registered holder, at any time within a period of 10 years commencing on and including the issue date and expiring on 4 October 2017, to subscribe for 1 new ordinary share of RM1.00 each in the Company at an exercise price of RM4.87 per ordinary share for every warrant held.

During the financial period/year, the movements in the Company's warrants are as follows:

	<b>Group/Company Number of warrants 2007/2017</b>		<b>Group/Company Amount</b>	
	<b>1.7.2008 to 31.12.2009 '000</b>	<b>1.7.2007 to 30.6.2008 '000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
At beginning of financial period/year	153,328	-	23,000	-
Issued during the period/year	-	155,805	-	23,371
Exercised during the period/year (Note 40)/(Note 42)	(31)	(2,477)	(5)	(371)
At end of financial period/year	153,297	153,328	22,995	23,000



**42. Share Premium**

	Group/Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
At beginning of financial period/year	308,733	298,559
Arising from issuance of new ordinary shares pursuant to ESOS	-	217
Arising from issuance of new ordinary shares pursuant to exercise of warrants	119	9,586
Transfer from warrants (Note 41)	5	371
At end of financial period/year	308,857	308,733

**43. Reserves**

	Note	Group		Company	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Non-distributable reserves:					
Capital reserve	(a)	73,960	26,918	-	-
Share option reserve	8, (b)	3,358	3,358	3,358	3,358
Foreign currency translation reserve	(c)	14,233	11,703	-	-
Total non-distributable reserves		91,551	41,979	3,358	3,358
Distributable reserve:					
Retained profits	(d)	1,278,981	838,150	22,583	243,630
Total reserves		1,370,532	880,129	25,941	246,988

### 43. Reserves (contd.)

The movement in each category of reserves is disclosed in the statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

#### (a) Capital reserve

Capital reserve represents the creation of capital redemption reserve arising from redemption of redeemable preference shares in certain subsidiaries.

#### (b) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

#### (c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

#### (d) Retained profits

Presently, Malaysian companies adopt the full imputation system. In the Budget 2008, the Government announced the proposal to introduce the single tier tax system for companies effective from the year of assessment 2008. Under the proposed single tier system, the Company shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends paid, credited or distributed by the Company will be exempted from tax in the hands of the shareholders. However, there will be a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the tax credit balance under Section 108 of the Income Tax Act, 1967 and opt to pay dividends under the single tier system. This proposed change in the tax law also provides for the Section 108 balance to be locked in as at 31 December 2007.

During the transitional period, the Company can utilise the tax credit balance in the Section 108 account as at 31 December 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Bill, 2007.

As at 31 December 2009, the Company has tax exempt profits available for distribution of approximately RM143,231,000 (2008: RM143,231,000), subject to the agreement of the Inland Revenue Board.

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax credit under Section 108 and the balance in the tax-exempt income account to frank the payment of dividends out of its entire retained profits as at 31 December 2009.

#### 44. Minority Interests

Included in minority interests are the following preference shares issued to minority shareholders of certain subsidiaries:

- (a) The equity portion of the 5% cumulative redeemable preference shares "A" issued to minority shareholders of Sunway Damansara Sdn. Bhd. amounting to RM Nil (2008: RM24,014,000). These shares confer on its holders cumulative preferential dividends of 5% per annum which rank in priority to ordinary dividends. These shares are redeemable at par and in cash at any time after 16 May 1999. The 5% Cumulative Redeemable Preference Shares "A" was fully redeemed in 2009.
- (b) The equity portion of the 5% cumulative redeemable convertible preference shares issued to minority shareholders of Sunway Tunas Sdn. Bhd. amounting to RM7,857,000 (2008: RM7,857,000). These shares confer on its holders cumulative preferential dividends of 5% per annum which rank in priority to ordinary dividends. These shares are redeemable at par and in cash or convertible into ordinary shares on the basis of one convertible preference share of RM1 each for one ordinary share of RM1 each at any time after 16 May 1999.
- (c) Redeemable convertible preference shares issued to minority shareholders of Sunway Resort Hotel Sdn. Bhd. amounting to RM566,000 (2008: RM566,000). These shares rank in priority to ordinary shares and are redeemable at a premium of RM0.99 per share or convertible into ordinary shares at the option of the subsidiary at any time.

#### 45. Operating Lease Agreements

- (a) The Company as lessee

The Company has entered into a non-cancellable operating lease agreement with a subsidiary for the use of a piece of leasehold land.

The future aggregate minimum lease payments under non-cancellable operating lease contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Not later than 1 year	78	78
Later than 1 year and not later than 5 years	312	52
	390	130

**45. Operating Lease Agreements (contd.)**

- (b) The Group and the Company as lessors

The Group has entered into a non-cancellable operating lease agreements on properties with Sunway Education Group Sdn. Bhd. Group ("SEG Group"), a related party and a third party. The relationship with the related party is as disclosed in Note 49 to the financial statements. The lease with SEG Group and a third party have a remaining non-cancellable lease within 1 year.

The Company has entered into a non-cancellable operating lease agreements on a leasehold property with a subsidiary company. The lease with the subsidiary company has a remaining non-cancellable lease term within 1 year.

The future minimum lease payments receivable under the above non-cancellable operating leases and other non-cancellable operating leases of the Group and the Company contracted for as at the balance sheet date but not recognised as receivables, are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Not later than 1 year	17,266	28,938	55	312
Later than 1 year and not later than 5 years	-	31,618	-	208
	17,266	60,556	55	520

Rental income recognised in profit or loss during the financial period/year is disclosed in Note 3 and Note 5 to the financial statements.

**46. Capital Commitments**

	<b>Group</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Capital expenditure		
Approved and contracted for		
Freehold land	-	2,472
Property, plant and equipment and investment properties	42,246	84,499
	42,246	86,971
Approved but not contracted for		
Property, plant and equipment and investment properties	3,684	6,843
	45,930	93,814



**47. Contingent Liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Unsecured:				
Guarantees given to licensed financial institutions for banking facilities granted to subsidiaries	-	-	14,458	399,858
Guarantees given to third parties in respect of trade and contracts	17,101	-	910	-
	17,101	-	15,368	399,858

**48. Significant Inter-Company Transactions**

	<b>Note</b>	<b>Company</b>	
		<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Dividends receivable from subsidiaries		(58,929)	(71,120)
Dividend receivable from jointly controlled entity		(34,825)	(27,400)
Interest receivable from subsidiaries	(i)	(38,976)	(26,653)
Rental receivable from subsidiaries	(ii)	(4,149)	(2,718)
Management fee receivable from a subsidiary		240	-
Accounting services fees payable to a subsidiary		1,095	627
Interest payable to subsidiaries	(iii)	10,452	4,144
Purchase of property stocks from a subsidiary		-	480
Rental payable to subsidiaries	(iv)	2,643	1,432
Hotel and related expenses payable to a subsidiary		740	-
Medical services expenses payable to a subsidiary		394	-

- (i) The interest receivable arose from the amounts due from subsidiaries. Further details are disclosed in Note 19 to the financial statements.
- (ii) The rental receivable from subsidiaries arose from rental of premises to subsidiaries at prevailing market prices and conditions similar to those offered to major customers of the Company and the Group.
- (iii) The interest payable arose from the amounts due to subsidiaries. Further details are disclosed in Note 35 to the financial statements.
- (iv) The rental payable to subsidiaries arose from rental of premises from subsidiaries at prevailing market prices at terms similar to those offered to major customers of the Company and the Group.

**49. Significant Related Party Transactions**

- (i) During the period/year, the Group transacted with certain related parties. The transactions are principally payable to/(receivable from) the related parties in respect of:

		<b>Group</b>	
		<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
<b>Name of Companies</b>	<b>Nature of transactions</b>		
(a) Sunway	Construction costs	119,674	252,511
Holdings	Management fees	932	1,593
Group	Insurance premium	10,472	6,062
	Lease rental	6,992	4,377
	Purchase of building materials	2,507	24,900
	Rental of construction machineries	52	341
	Hiring of machinery	-	6
	Service level agreement services	179	-
	Rental income	(9,478)	(5,714)
	Hotel and related services	(2,336)	(1,912)
	Recreational services	(443)	(107)
	Ticketing and tour sales	(4,010)	(2,570)
	Medical services	(292)	(171)
	Property management services	(1,054)	(721)
	Sales of development properties	(65)	-
(b) Sunway	Information systems products		
Technology	and consultancy fees	1,427	1,026
Sdn. Bhd.	Hotel and related services	(55)	(18)
Group	Ticketing and tour sales	(87)	(38)
("STSB	Medical services	(19)	(11)
Group")	Rental income	(488)	(379)
	Recreational services	(2)	1
	Property management services	(90)	(68)
(c) Perbadanan	Construction costs	6,088	3,753
Kemajuan			
Negeri Selangor			
Group			
("PKNS Group")			
(d) Adasia (M)	Advertising fees	1,549	1,580
Sdn. Bhd.	Medical services	(1)	(2)
("Adasia")	Recreational services	(3)	-
	Rental income	(167)	(101)
	Property management services	(12)	-

## 49. Significant Related Party Transactions (contd.)

		Group	
		1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Name of Companies	Nature of transactions		
(e) Sunway	Conference and seminar	108	30
Education	Rental income	(41,347)	(28,564)
Group	Recreational services	(30)	(22)
Sdn. Bhd.	Hotel and related services	(1,592)	(518)
("SEG Group")	Ticketing and tour sales	(2,393)	(1,606)
	Medical services	(108)	(68)
	Property management services	(20)	-
(f) Asian Strategy	Ticketing and tour sales	(4)	(12)
& Leadership	Medical services	(5)	(6)
Incorporated	Recreational services	(4)	(1)
Sdn. Bhd.	Rental income	(2)	(1)
("ASLI")			
(g) Dekon Holdings	Construction costs	194,168	112,830
Sdn. Bhd.	Landscaping services	8,010	3,016
Group	Interior design works	4,983	9,518
("DHSB	Renovation works	10,424	20,229
Group")	Ticketing and tour sales	(40)	(23)
	Medical services	(29)	(31)
	Recreational services	(6)	(1)
	Rental income	(865)	(657)
	Hotel and related services	(110)	(124)
	Property management services	(175)	(108)
	Service level agreement services	(26)	-
(h) Akitek Akiprima	Architectural consultancy	1,055	1,012
Sdn. Bhd.	Rental income	(2)	-
("AASB")			
(i) Jef-San	Medical services	(18)	(6)
Enterprise Sdn.			
Bhd. ("Jef-San")			

**49. Significant Related Party Transactions (contd.)**

- (i) The above parties are deemed related to the Group as follows:
- (a) Sunway Holdings Group is deemed related to the Group by virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's common directorship in Sunway Holdings and the Company as well as interests in Sunway Holdings Group and the Group. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, being the spouse of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, is a director of Sunway Lagoon Club Berhad, 83.5% owned subsidiary of the Company and is a director of Sunway Management Sdn. Bhd., a wholly owned subsidiary of Sunway Holdings. She has interests in Sunway Holdings Group and the Group. Sarena Cheah Yean Tih, being the child of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling is a director and alternate director in several subsidiaries of the Company and she has interests in Sunway Holdings Group and the Group. Evan Cheah Yean Shin, the child of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, is the alternate director to Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng in Sunway Lagoon Club Berhad as well as a director and alternate director in several subsidiaries of Sunway Holdings and he has interest in Sunway Holdings Group.
  - (b) STSB Group is deemed related to the Group by virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's interests in STSB Group and the Group. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, being the spouse of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling also has deemed interests in STSB Group and the Group. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are directors of STSB Group.
  - (c) PKNS Group is deemed related to the Group by virtue of its substantial shareholding in Sunway Damansara Sdn. Bhd., a 60% owned subsidiary of the Company.
  - (d) Adasia is deemed related to the Group by virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's deemed interest in Adasia and interest in the Group. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin, being the spouse and children of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling respectively also have deemed interests in Adasia. Sarena Cheah Yean Tih and Evan Cheah Yean Shin are directors of Adasia.
  - (e) SEG Group is deemed related to the Group by virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's and Datuk Razman M Hashim's common directorships in SEG Group and the Company. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih, being the spouse and child of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling respectively are directors of SEG Group. Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin have deemed interests in SEG Group. Evan Cheah Yean Shin is the child of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling.
  - (f) ASLI is deemed related to the Group by virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's common directorship in ASLI and the Company as well as interests in ASLI and the Group. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, being the spouse of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling is a director of ASLI. Sarena Cheah Yean Tih, being the child of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling is the alternate director to Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling in ASLI.



**49. Significant Related Party Transactions (contd.)**

- (i) (g) DHSB Group is deemed related to the Group by virtue of Datuk Razman M Hashim's interest in DHSB Group and interest in the Company.
- (h) AASB is deemed related to the Group by virtue of Cheah Teik Jin's directorship and substantial shareholding in AASB. Cheah Teik Jin is the brother of Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng who is the spouse of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling.
- (i) Jef-San is deemed related to the Group by virtue of the directorships of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin in Jef-San. Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng are substantial shareholders of Jef-San. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are the spouse and children of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling respectively.

Information regarding outstanding balances arising from related party transactions as at 31 December 2009 are disclosed in Notes 26, 27, 38 and 39 to the financial statements.

- (ii) The remuneration of directors and other members of key management during the period are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>	<b>1.7.2008 to 31.12.2009 RM'000</b>	<b>1.7.2007 to 30.6.2008 RM'000</b>
Short-term employee benefits	13,965	8,529	9,170	5,890
Post-employment benefits:				
Defined contribution plan	1,502	933	1,003	627
Share-based payment	-	9	-	9
	15,467	9,471	10,173	6,526

#### 49. Significant Related Party Transactions (contd.)

(ii) Included in the total key management personnel are:

	Group		Company	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000
Directors' remuneration (Note 9)	14,020	8,905	8,725	5,960

Executive directors of the Group and the Company and other members of key management have been granted the following number of options under the ESOS:

	Group/Company	
	1.7.2008 to 31.12.2009 '000	1.7.2007 to 30.6.2008 '000
At beginning of financial period/year	150	1,510
Granted	-	150
Exercised	-	(1,510)
Resigned	(150)	-
At end of financial period/year	-	150

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

#### 50. Subsidiaries and Associates

Details of the subsidiaries and associates are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(a) Subsidiaries of Sunway City Berhad				
Bintutara Sdn. Bhd.	Malaysia	Property development and investment holding	100	100

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Hotel (Penang) Sdn. Bhd.	Malaysia	Hotel business	100	100
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Sunway Pyramid Sdn. Bhd.	Malaysia	Shopping mall operator	52	52
Sunway City Properties Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	51	51
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotel business	52	52
Sunway Lagoon Club Berhad	Malaysia	Recreational club facilities	83.5	83.5
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour agent	100	100

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Hospitality Holdings Ltd.	British Virgin Islands	Hotel management	100	100
Emerald Tycoon Sdn. Bhd.	Malaysia	Investment holding	100	100
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Monorail Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100
Pembinaan Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Medical Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Suncity SSC Sdn. Bhd.	Malaysia	Provision of shared services	100	100
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	65	65
Sunway Damansara Sdn.Bhd.	Malaysia	Property development and investment holding	60	60



## 50. Subsidiaries and Associates (contd.)

Name of companies		Country of incorporation	Principal activities	Proportion of ownership interest	
				2009 %	2008 %
(a)	Subsidiaries of Sunway City Berhad (contd.)				
	Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70
	Sunway Tunas Sdn. Bhd.	Malaysia	Property development	70	70
	Area Star Sdn. Bhd.	Malaysia	Property development	100	100
	Sunway Monash Residence Sdn. Bhd. (formerly known as Falcrest Sdn. Bhd.)	Malaysia	Dormant	100	70
#	Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services and investment holding	100	100
	Sunway FitOut Sdn. Bhd. (formerly known as Sunway Resort Hotel Land Sdn. Bhd.)	Malaysia	Provision of fit-out management services	100	100
	Stellar Destiny Sdn. Bhd.	Malaysia	Property investment	100	100
	Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management	100	100
	Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management	100	100

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100
Menara Sunway Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Crest Sdn. Bhd.	Malaysia	Property development	100	100
Sunway International Vacation Club Berhad	Malaysia	Time sharing businesses	100	100
Sunway Tower 2 Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Platinum Success Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Medical tourism	100	100
Sunway Residence Sdn. Bhd. (formerly known as Splendid Crest Sdn. Bhd.)	Malaysia	Property investment	100	100
Sunway Leisure Services Sdn. Bhd. (formerly known as Sunway Security Services Sdn. Bhd.)	Malaysia	Provision of transportation services	100	100
ABS Real Estate Berhad	Malaysia	In members' voluntary liquidation	100	100
Rich Worldclass Sdn. Bhd.	Malaysia	Dormant	100	

## 50. Subsidiaries and Associates (contd.)

Name of companies		Country of incorporation	Principal activities	Proportion of ownership interest	
				2009 %	2008 %
(a)	Subsidiaries of Sunway City Berhad (contd.)				
	Sunway Homes (MM2H) Sdn. Bhd.	Malaysia	Dormant	100	100
	Sunway Tower 1 Sdn. Bhd.	Malaysia	Investment holding	100	100
	Worldclass Symphony Sdn. Bhd.	Malaysia	Property investment	100	-
	TAH Properties Sdn. Bhd.	Malaysia	Dormant	-	70
#	Sunway Shopping Centre Management Private Limited	Hong Kong	Provision of shopping centre and facilities management services	100	100
#	Sunway City India Private Limited	India	Property development and investment holding	99.99	99.99
	Sunway REIT Management Sdn. Bhd.	Malaysia	Dormant	100	100
	Spring Ambience Sdn. Bhd.	Malaysia	Property investment	100	100
	Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	-
	Sunway Medical Centre Berhad	Malaysia	Operator of a medical centre	78	-

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
SunCity Vietnam Sdn. Bhd. (formerly known as Mega Methods Sdn. Bhd.)	Malaysia	Dormant	100	-
Sunway City Captive Insurance Ltd. (held in trust by General Captive International Ltd.)	Malaysia	Captive Insurance	100	-
(b) Subsidiaries of Sunway City (Penang) Sdn. Bhd.				
Fame Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Era Primision Sdn. Bhd.	Malaysia	Dormant	100	100
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotel business	100	100
Sunway Carnival Sdn. Bhd.	Malaysia	Shopping mall operator	100	100
Prime Delight Sdn. Bhd.	Malaysia	Dormant	100	100
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	100	100
Associated Circle Sdn. Bhd.	Malaysia	Dormant	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100



## 50. Subsidiaries and Associates (contd.)

Name of companies		Country of incorporation	Principal activities	Proportion of ownership interest	
				2009 %	2008 %
(c) Subsidiary of Konsep Objektif (M) Sdn. Bhd.					
#	Sunway Hotel Phnom Penh Ltd.	Cambodia	Hotel business	75	75
(d) Subsidiaries of Sunway Pyramid Sdn. Bhd.					
	Sunway Parking Management Sdn. Bhd.	Malaysia	Car park operator	100	100
	Allson International Hotels & Resorts Sdn. Bhd. (formerly known as Essential Outlook Sdn. Bhd.)	Malaysia	Hotel management	-	100
(e) Subsidiary of Sunway City Properties Sdn. Bhd.					
	Pena Enterprise Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
(f) Subsidiaries of Sunway Lagoon Sdn. Bhd.					
	Sunway Wildlife Sdn. Bhd.	Malaysia	Dormant	100	100
	Eastern Glory Enterprises Limited	British Virgin Islands	Investment holding	60	60
#	Commercial Highlight Sdn. Bhd.	Malaysia	In creditors' voluntary liquidation	-	55

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(f) Subsidiaries of Sunway Lagoon Sdn. Bhd. (contd.)				
Sunway Townhouse Sdn. Bhd.	Malaysia	Property development	100	100
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	60	60
Frontier Acres Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway Lagoon Management Sdn. Bhd.	Malaysia	Dormant	100	100
(g) Subsidiaries of Sunway South Quay Sdn. Bhd.				
Sunway Monash-U Residence Sdn. Bhd. (formerly known as Lake Blooms Sdn. Bhd.)	Malaysia	Property investment	100	-
(h) Subsidiaries of Sunway Hospitality Holdings Ltd.				
Allson International Hotels & Resorts (B.V.I.) Limited	British Virgin Islands	Hotel management	100	100
Allson International Management Limited	British Virgin Islands	Hotel management	100	100
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	100
Allson International Hotels & Resorts Sdn. Bhd. (formerly known as Essential Outlook Sdn. Bhd.)	Malaysia	Dormant	100	-

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(i) Subsidiaries of Emerald Tycoon Sdn. Bhd.				
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	-	100
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	70	70
(j) Subsidiaries of Sunway Medical Holdings Sdn. Bhd.				
Sunway Medical Centre Berhad	Malaysia	Operator of a medical centre	-	72.8
Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100
(k) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
# Sunway City Cambodia Limited	Cambodia	Dormant	80	80
(l) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.				
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	100	100
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Property investment	100	100

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(l) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)				
Sunway Lagoon Water Park Sdn. Bhd.	Malaysia	Theme park operator	100	100
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	100	100
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Hotel Services (Ipoh) Sdn. Bhd.	Malaysia	Dormant	100	100
# Permata Aktiviti (M) Sdn. Bhd.	Malaysia	In members' voluntary liquidation	-	100
(m) Subsidiaries of Sunway Damansara Sdn. Bhd.				
Imbasan Intisari Sdn. Bhd.	Malaysia	Dormant	100	100
Tidal Elegance Sdn. Bhd.	Malaysia	Dormant	100	100
Park Symphony Sdn. Bhd.	Malaysia	Dormant	100	100
Pan Unicreation Sdn. Bhd.	Malaysia	Dormant	100	100
Winning Excellence Sdn. Bhd.	Malaysia	Dormant	100	100
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	100	100



## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(m) Subsidiaries of Sunway Damansara Sdn. Bhd. (contd.)				
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	100	100
Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	100	100
Cahaya Jejaka Sdn. Bhd.	Malaysia	Dormant	100	100
Seruan Istilah Sdn. Bhd.	Malaysia	Dormant	100	100
Sumber Dorongan Sdn. Bhd.	Malaysia	Dormant	100	100
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	100	100
Bisikan Seni Sdn. Bhd.	Malaysia	Dormant	100	100
Emerald Freight Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	100	100
(n) Subsidiary of Menara Sunway Sdn. Bhd.				
MSW Parking Sdn. Bhd.	Malaysia	Car park management	100	100
(o) Subsidiary of Sunway IFM Sdn. Bhd.				
Sunway Parking Services Sdn. Bhd.	Malaysia	Dormant	100	100
(p) Subsidiary of Pena Enterprise Sdn. Bhd.				
Logic Square Sdn. Bhd.	Malaysia	Dormant	100	100

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(q) Subsidiaries of Eastern Glory Enterprises Limited				
Estonia Enterprises Limited	British Virgin Islands	Investment holding	100	100
Hartford Lane Pty. Ltd.	Australia	Trustee	100	100
International Theme Park Pty. Ltd.	Australia	Dormant	100	-
(r) Subsidiaries of International Theme Park Pty. Ltd.				
Sunway Australia Unit Trust	Australia	Unit trust	100	-
Sydney Theme Park Pty. Limited	Australia	Theme park licence holder	100	100
(s) Subsidiaries of Estonia Enterprises Limited				
International Theme Park Pty. Ltd.	Australia	Dormant	-	100
Sunway Australia Unit Trust	Australia	Unit trust	-	100
(t) Subsidiaries of Sunway Medical Centre Berhad				
Sunmed@Home Sdn. Bhd.	Malaysia	Home nursing care and allied healthcare services	51	51
SunMed Clinics Sdn. Bhd. (formerly known as Favourite Junction Sdn. Bhd.)	Malaysia	Operation of clinics	100	-

## 50. Subsidiaries and Associates (contd.)

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2009 %	2008 %
(u) Associates of Sunway City Berhad				
Aktif-Sunway Sdn. Bhd.	Malaysia	Ceased operation	20	20
# Sunway Cana City Development Ltd.	Cambodia	Property development	49	49
Glitter Performance Sdn. Bhd.	Malaysia	Dormant	50	50
(v) Associate of Sunway Damansara Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	30	30
(w) Associate of Sunway Pyramid Sdn. Bhd.				
# Pyramid Bowl Sdn. Bhd.	Malaysia	Bowling alley operator	40	40
(x) Associates of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited	India	Property development	26.3	-

# Audited by firms of auditors other than Ernst &amp; Young

### 51. Financial Instruments

#### (a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

#### (b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

#### (c) Foreign currency risk

The Group is not significantly exposed to foreign currency risk as majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily United States Dollar, Australian Dollar, Hong Kong Dollar, Singapore Dollar and Indian Rupees. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

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 future revenue stream to be generated from its investments.



**51. Financial Instruments (contd.)****(c) Foreign currency risk (contd.)**

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

Functional currency of Group Companies	Net financial assets/liabilities held in non-functional currencies		
	Cash and bank balances RM'000	Receivables RM'000	Payables RM'000
<b>At 31 December 2009</b>			
Australian Dollar	56	5,566	3,787
Hong Kong Dollar	5,866	1,383	3,704
Indian Rupee	64	156	43
Singapore Dollar	645	35	57
United States Dollar	2,449	1,434	1,821
	9,080	8,574	9,412
<b>At 30 June 2008</b>			
Australian Dollar	532	3,430	18,360
Hong Kong Dollar	4,959	805	2,700
Indian Rupee	4,087	116	23
Singapore Dollar	1,475	24	121
United States Dollar	2,441	1,019	2,554
	13,494	5,394	23,758

**(d) Liquidity risk**

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

**(e) Credit risk**

The Group's credit risk is primarily attributable to trade receivables. 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 and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

**51. Financial Instruments (contd.)****(f) Fair values**

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet dates approximated their fair values except for the following:

	<b>Group</b>		<b>Company</b>	
	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>	<b>Carrying amount RM'000</b>	<b>Fair value RM'000</b>
<b>2009</b>				
<b>Financial assets</b>				
Other receivables				
- Amount due from joint venture partner	67,588	31,883	67,588	31,883
Amount due from subsidiaries	-	-	902,046	876,038
Amount due from jointly controlled entities	108,620	102,457	108,615	102,452
<b>Financial liabilities</b>				
Long term liabilities				
- Redeemable preference shares	7,143	7,143	-	-
- Refundable deposits	16,683	15,291	-	-
Advances by minority shareholders of subsidiaries	292,505	281,765	-	-
<b>2008</b>				
<b>Financial assets</b>				
Other receivables				
- Amount due from joint venture partner	67,588	29,235	67,588	29,235
Amount due from subsidiaries	-	-	1,182,129	1,152,796
Amount due from jointly controlled entities	41,880	35,251	41,249	34,620
<b>Financial liabilities</b>				
Long term liabilities				
- Redeemable preference shares	35,567	35,293	-	-
- Refundable deposits	16,692	15,129	-	-
Advances by minority shareholders of subsidiaries	296,076	283,598	-	-

## 52. Segment Information

### (a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### (b) Business segments

The Group comprises the following main major business segments:

- (i) Property development - development of residential and commercial properties;
- (ii) Property investment - management and operation of shopping malls and letting of properties;
- (iii) Leisure - operation of theme parks, rendering recreational club facilities, travel agent and time sharing businesses;
- (iv) Hospitality - management and operations of hotels; and
- (v) Healthcare - management and operation of a medical centre.

### (c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in three main geographical areas:

- (i) Malaysia - the operations in this area are principally property development, property investment, leisure, hospitality and healthcare;
- (ii) Asia (excluding Malaysia) - the operations in this area are principally hospitality; and
- (iii) Australia - the operations in this area which were principally leisure had ceased in the previous financial year.

### (d) Allocation basis and transfer pricing

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 mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

[illegible]



## 52. 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		Property Investment		Leisure		Hospitality		Healthcare		Eliminations		Total	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
<b>Assets</b>														
Segment assets	1,844,717	1,678,376	3,463,974	2,691,414		226,268	181,925		603,357	588,167		230,771	157,378	
Investments in associates	26,196	14,351	-	-		1,452	1,182		-	-		-	-	
Investment in jointly controlled entity	125,926	65,099	-	-		-	-		-	-		-	-	
Unallocated assets														
Total assets														
<b>Liabilities</b>														
Segment liabilities	812,663	1,063,660	429,048	484,222		76,859	85,465		310,845	393,507		47,857	88,498	
Unallocated liabilities														
Total liabilities														
<b>Other segment information</b>														
Capital expenditure	11,292	3,021	54,397	423,397		10,448	8,747		19,937	36,728		83,117	50,093	
Depreciation	2,246	1,808	12,296	3,920		11,848	7,896		40,924	13,520		15,200	7,432	
Impairment losses	-	518	-	-		-	-		-	-		-	-	
Other significant non-cash expenses/(income)	30,050	1,592	(731,195)	1,599		2,569	1,083		98	332		(531)	-	

**52. Segment Information (contd.)****Geographical segments**

The following table provides an analysis of the Group's revenue, results, capital expenditure and assets by geographical segment:

	Malaysia		Asia (excluding Malaysia)		Australia		Total	
	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000 (restated)
Revenue	1,572,434	1,300,052	28,533	14,504	-	-	1,600,967	1,314,556
Segment results	1,190,331	701,191	179	(3,921)	(2,077)	1,797	1,188,433	699,067
Capital expenditure	178,427	520,998	764	988	-	-	179,191	521,986
Segment assets	5,933,741	5,045,121	20,649	26,319	11,380	9,860	5,965,770	5,081,300

### 53. Significant Event During the Financial Period

Proposed acquisitions of Hochimex Nominee Company Limited and its subsidiary ("Proposed Acquisition").

On 10 June 2009, the Board of Directors announced that Suncity Vietnam Sdn. Bhd. (formerly known as Mega Methods Sdn. Bhd.) ("Suncity Vietnam"), a wholly owned subsidiary of the Company had on 9 June 2009, entered into a share sale and purchase agreement ("SPA") with Sunway Holdings (Vietnam) Sdn. Bhd. and Sunway Property (China) Limited ("Vendors"), being subsidiaries of Sunway Holdings for the proposed acquisition of the entire issued and paid-up share capital of Hochimex Nominee Company Limited ("Hochimex") and its subsidiary, Sunway Hotel Hanoi Liability Limited Company ("SHHLLC") for a total cash consideration of USD\$17 million (equivalent to approximately RM59.33 million).

SHHLLC is a wholly owned subsidiary of Hochimex and the operator of a hotel in Hanoi, Vietnam known as "Sunway Hotel Hanoi".

The salient terms of the SPA include, inter-alia, the following:

- (a) Upon execution of the SPA, Suncity Vietnam shall pay USD1.7 million ("Deposit") to the Vendors by way of earnest money and as part payment of the Purchase Consideration.
- (b) The obligations of the parties to complete the sale and purchase of the Shares herein are conditional upon the following conditions being fulfilled, amongst others, on or before the expiry of the Conditions Fulfillment Period (as defined herein):-
  - (i) the approval of the shareholders of the respective Vendors in general meeting being obtained for the sale of the respective Shares by the respective Vendors pursuant to the terms of the SPA;
  - (ii) the approval of the shareholders of the Company in general meeting being obtained for the sale of the Shares by the Vendors pursuant to the terms of the SPA;
  - (iii) the approval of the shareholder of the Purchaser in general meeting being obtained for the purchase of the Shares pursuant to the terms of the SPA;
  - (iv) the Purchaser being satisfied or being deemed satisfied with the results of a legal and financial due diligence audit carried out on Hochimex and SHHLLC; and
  - (v) the Vendors obtaining the land lease contract to be entered into between SHHLLC and Hanoi Department of Natural Resources, Environment and Housing for the lease of the Land for 45 years commencing from 9 October 1992.

"Conditions Fulfillment Period" shall mean:-

- Two months from and excluding the date of the SPA or such later date as the parties may agree in writing for satisfaction of the condition in item (b)(iv) above; and
  - Six months from and excluding the date of the SPA or such later date as the parties may agree in writing for satisfaction of the conditions in item (b)(i), (ii), (iii) and (v) above.
- (c) If any approval or consent referred to in item (b) is refused or any condition referred to in item (b) is not obtained or unfulfilled by the expiration of the Conditions Fulfillment Period, any party may terminate the SPA by giving written notice to the other party. Upon receipt of such notice by the other party, the SPA shall forthwith terminate. The Vendors shall return the Deposit without interest to the Purchaser within 14 business days from the termination notice and thereafter neither party shall have any further claim against the other pursuant to the SPA save for any antecedent breach.

### 53. Significant Event During the Financial Period (contd.)

Subsequently, on 8 December 2009, the Company announced that Suncity Vietnam Sdn. Bhd. had on even date, entered into a Supplement Agreement with the Vendors to extend the Conditions Fulfillment Period of the Proposed Acquisition for another 6 months to expire on 9 June 2010 or such other period as the parties may mutually agree.

The Proposed Acquisition has not been completed as at the date of this report.

### 54. Subsequent Event

#### Proposed Real Estate Investment Trust ("REIT")

On 11 February 2010, the Board of Directors announced that the Company had appointed CIMB Investment Bank Berhad, Credit Suisse (Singapore) Limited ("Credit Suisse"), The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities Limited, Maybank Investment Bank Berhad and RHB Investment Bank Berhad ("RHB Investment Bank") as joint bookrunners for the proposed initial public offering of the Company's Real Estate Investment Trust ("Proposed REIT").

The Company had further appointed RHB Investment Bank and Credit Suisse as joint global coordinators and RHB Investment Bank as sole financial adviser for the Proposed REIT.

Subsequently on 7 April 2010, RHB Investment Bank, on behalf of the Company, announced that an application to the Securities Commission ("SC") pursuant to the Guidelines on REIT issued by the SC had been submitted on 6 April 2010.

As at the date of this report, there are no further updates on the Proposed REIT.

### 55. Comparatives

The financial year end of the Company and all its subsidiaries was changed from 30 June to 31 December. Accordingly, the financial statements of the Group and of the Company for the financial period ended 31 December 2009 cover an 18-month period compared to the 12-month year end of 30 June 2008 and therefore the comparative amounts are not in respect of comparable periods.

### 56. Prior Year Adjustments

In December 2004 and December 2006, the Company entered into two separate joint venture agreements with Medallion Development Sdn. Bhd. and Fawanis Sdn. Bhd. ("Joint Venture Partners") respectively to undertake property development activities on lands owned by the respective Joint Venture Partners.

The Company had previously accounted for the said transactions by applying the principles of a jointly controlled operations and have accordingly accounted for its share of expense and income of the joint venture in its separate financial statements.

The Company, has however, reassessed the above-mentioned joint venture agreements and the requirements under FRS131: Interest in Joint Ventures in the current financial period and concluded that the nature and substance of the joint ventures was that of Jointly Controlled Entities instead of Jointly Controlled Operation. Accordingly, this has resulted in the restatement of the Group's and the Company's assets, liabilities, as well as adjustments to the income and expenses items relating to the current and prior years to reflect the change in the nature of the above joint ventures.



**56. Prior Year Adjustments (contd.)**

As a result of the effects of these prior year adjustments certain comparative amounts have been restated as follows:

	As previously stated RM'000	Increase/ (decrease) FRS 131 RM'000	As restated RM'000
<b>At 1 July 2007</b>			
<b>Group</b>			
<b>Balance sheet</b>			
Investments in jointly controlled entities	47,532	(1,255)	46,277
Property development costs	497,001	(28,721)	468,280
Other receivables	131,205	41,373	172,578
Amounts due from jointly controlled entities	173	22,000	22,173
Cash and bank balances	531,416	(5,412)	526,004
Non-current borrowings	734,774	(25,310)	709,464
Trade payables	222,067	(11,377)	210,690
Other payables	326,372	56,968	383,340
<b>At 1 July 2007</b>			
<b>Company</b>			
<b>Balance sheet</b>			
Property development costs	36,294	(28,721)	7,573
Other receivables	61,599	41,373	102,972
Amounts due from jointly controlled entities	173	22,000	22,173
Cash and bank balances	35,767	(5,412)	30,355
Retained profits	256,303	1,255	257,558
Non-current borrowings	251,433	(25,310)	226,123
Trade payables	11,692	(11,377)	315
Other payables	26,761	56,968	83,729

## 56. Prior Year Adjustments (contd.)

	As previously stated RM'000	Increase/ (decrease) FRS 131 RM'000	As restated RM'000
<b>At 30 June 2008</b>			
<b>Group</b>			
<b>Balance sheet</b>			
Investments in jointly controlled entities	68,823	(3,724)	65,099
Land held for property development	399,239	(4,766)	394,473
Property development costs	356,449	(37,322)	319,127
Trade receivables	209,463	(140)	209,323
Other receivables	96,436	43,202	139,638
Amounts due from jointly controlled entities	7,880	34,000	41,880
Cash and bank balances	557,557	(8,527)	549,030
Non-current borrowings	954,775	(18,070)	936,705
Current borrowings	567,464	6,466	573,930
Trade payables	248,239	(2,127)	246,112
Other payables	384,763	36,455	421,218

**At 30 June 2008****Company****Balance sheet**

Land held for property development	7,065	(4,766)	2,299
Property development costs	58,031	(37,322)	20,709
Trade receivables	3,194	(140)	3,054
Other receivables	64,705	43,202	107,907
Amounts due from jointly controlled entities	7,249	34,000	41,249
Cash and bank balances	88,930	(8,527)	80,403
Retained profits	239,906	3,724	243,630
Non-current borrowings	534,519	(18,070)	516,449
Current borrowings	253,993	6,466	260,459
Trade payables	14,211	(2,127)	12,084
Other payables	44,568	36,455	81,023

## 56. Prior Year Adjustments (contd.)

	As previously stated RM'000	Increase/ (decrease) FRS 131 RM'000	As restated RM'000
<b>For the year ended 30 June 2008</b>			
<b>Group</b>			
<b>Income statement</b>			
Other income	374,937	(182)	374,755
Administrative expenses	(149,349)	415	(148,934)
Selling and marketing expenses	(45,915)	2,229	(43,686)
Other expenses	(168,671)	7	(168,664)
Share of profit of jointly controlled entities	11,213	(2,469)	8,744
<b>Company</b>			
<b>Income statement</b>			
Other income	29,213	(182)	29,031
Administrative expenses	(23,341)	415	(22,926)
Selling and marketing expenses	(4,073)	2,229	(1,844)
Other expenses	(31,156)	7	(31,149)

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Investment Properties</b>								
PN 12547 PT38158	4.075 /	Sunway	Sunway	16	Leasehold	10,650	1986	2009
PN 12548 PT43	43,917	City	Lagoon		expiring			
Bandar Sunway		(Land)	Club		01.04.2097			
Daerah Petaling		Sunway				10,086	1993	2008
Selangor		Lagoon						
		Club						
		(Building)						
PN 9490 Lot 34	58.850 /	Sunway	Sunway	17	Leasehold	14,630	1986	2009
PN 9493 Lot 37	728,236	City	Lagoon		expiring			
PT 15753 HS(D) 98453		(Land)	Theme Park,		01.04.2097			
Bandar Sunway			Amphitheatre,		&			
Daerah Petaling		Sunway	Wavepool &		19.06.2094	44,194	1992	-
Selangor		Lagoon	Elephant Walk					
		(Building)						
PT 1706 HS(D) 118324	0.499 /	Sunway	Food Court	14	Leasehold	3,750	1986 / 1994	2009
Bandar Sunway	21,482	City	Phase (10)		expiring			
Daerah Petaling					01.04.2097			
Selangor								
PT 1406 HS(D) 118322	0.370 /	Sunway	Food Court	15	Leasehold	2,000	1986 / 1992	2009
Bandar Sunway	6,143	City	Phase (6A)		expiring			
Daerah Petaling					01.04.2097			
Selangor								
PT 892 HS(M) 7031	4.330 /	Sunway	Apartments	13	Leasehold	22,100	1986 / 1995	2009
Bandar Sunway	221,000	City	Phase (8C)		expiring			
MK Damansara					11.04.2093			
Selangor Darul Ehsan					&			
PN 8622-23					01.12.2097			
Lot 49359-60								
Bandar Sunway								
Daerah Petaling								
Selangor								
B10-02 Storey No 10	2,147	Sunway	Palmville	13	Leasehold	620	2008	-
Building Block B		City	(1 unit)		expiring			
PT 9311 HS(D) 59436 & PT					01.04.2097			
9313 HS(D) 23565								
Mukim Damansara,								
Daerah Petaling								
Selangor								
PT 37 HS(D) 118341	4.496 /	Sunway	Sunway	10	Leasehold	55,549	1986 / 1999	-
PT 1489 HS(D) 118318	755,940	Medical	Medical		expiring			
Bandar Sunway		Centre	Centre (1)		01.04.2097			
Daerah Petaling								
Selangor			Sunway			102,727		
			Medical					
			Centre (2)					
HS(D)KA 134496	39.820	Sunway	Lost World of	5	Leasehold	38,565	1994 / 2004	-
PT 199440		Lagoon	Tambun		expiring			
Jalan Tambun		Water Park			27.10.2097			
MK Ulu Kinta								
Daerah Kinta								
Perak Darul Ridzuan								
PN 11816 Lot 61771	2.980 /	Sunway	Sun U	5	Leasehold	48,000	1986/2004	2009
Bandar Sunway	129,809	Residence	Residence		expiring			
Daerah Petaling			Block B		01.01.2097			
Selangor			(124 units)					
			Block C					
			(12 units)			7,000	1986/2004	2009



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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Investment Properties (contd.)</b>								
PT 3 HS(D) 114889 Bandar Sunway Daerah Petaling Selangor	0.390 / 44,867	Sunway Townhouse	2 Storey Townhouse (20 units)	4	Leasehold expiring 14.11.2096	3,680	2001/2004	2009
PN 17415 PT 62060 Bandar Sunway Daerah Petaling Selangor	1.898 / 18,463	Sunway International Vacation Club	Resort Suites (36 units)	5	Leasehold expiring 21.02.2102	6,375	2004/2009	-
PT 302 HS(D) 15354 Daerah Port Dickson Negeri Sembilan.	10.000 / 6,456	Sunway International Vacation Club	Legend Water Chalets (8 units Service suites and 2 units Chalets)	3	Freehold	2,105	2007	-
PT 894 HSD(T) 238253 PT 907 HSD(T) 238960 Bandar Sunway Daerah Petaling Selangor	11.950 / 850,853	Sunway City (Land)	Monash University Campus	3	Leasehold	29,209	1986/2007	2009
		Sunway Lagoon (Land)				9,835	1986/2007	2009
		Sunway Platinum Success (Building)				158,000	1986/2007	2009
PT 1490 HS(D) 115836 Bandar Sunway Daerah Petaling Selangor	1.537 / 34,329	Sunway City	Office Warehouse	3	Leasehold expiring 28.12.2096	6,000	1986/2006	2009
PN 11815/M1-A/9/55, Lot 61770 (A-09-04 Lagoonview Resort Condominium) PN 11815/M1-B/6/160, Lot 61770 (B-06-05 Lagoonview Resort Condominium) Jalan Kolej Bandar Sunway Daerah Petaling Selangor	2,780	Sunway City	Lagoonview (2 units)	10	Leasehold expiring 1.4.2097	736	2007	2009
Lagoonview Condominium:- A-22-03, A-01-04, A-13-04, A-13-05, A-05-05, A-07-06, A-08-04, A-07-05, B-18-04, B-21-03, B-03-04	42,961	Spring Ambience	Lagoonview (11 units)	10	Leasehold expiring 1.4.2097	8,615	2007	2009
Monash Condominium:- A-11-03, A-16-03, A-10-01, A-19-05 A-18-03A, A-11-06, A-13-02, A-20-01, A-12-06, A-05-03A A-12-02, A-05-05			Monash Condominium (12 units)	9				
Lot 55 GRN 45110 Jalan Ampang Wilayah Persekutuan	0.594 / 488,273	Sunway Tower 2	Commercial	13	Freehold	184,984	2007	2009

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Investment Properties (contd.)</b>								
Lagoonview Condo:- B-02-04, B-22-03, B-16-03, A-14-02, B-04-04	38,729	Worldclass Symphony	Lagoonview (5 units)	10	Leasehold expiring 1.4.2097	8,446	2008	-
Monash Condominium:- A-06-06, A-10-06, A-08-06, A-13A-03, A-13A-3A, A-07-03, A-11-02, A-17-05 A-15-03, A-15-02, A-23A-01, A-23A-02, A-12-03, A-21-02, A-21-03			Monash Condominium (16 units)	9				
Pajakan Negeri 6890 Lot 93 Sek 20 Bandar Petaling Jaya Selangor	6,316 / 2,592	Sunway City	Flatted Industrial Factory (1 unit)	13	Leasehold expiring 24.10.2067	400	2009	-
PT 146130 HS(D) 72911 Jalan Tambun MK Ulu Kinta	0,510 / 17,631	Kinta Sunway Resort	Bar & Restaurant	3	Leasehold expiring 27.10.2097	3,980	1994	2009
			Unique Seafood	3		2,600	1994	2009
Lot 2220 Section 12 Town of Georgetown North East District, Penang	0,631 / 220,097	Sunway Hotel (Penang)	Sunway Hotel Georgetown	16	Freehold	28,384	1989/1993	2007
Lot 5785 Mukim 1 Seberang Perai Tengah Pulau Pinang	1,061 / 167,622	Sunway Hotel (Seberang Jaya)	Sunway Hotel Seberang Jaya	12	Leasehold expiring 21.10.2092	21,135	1992/1997	2007
PT 28 HS(D) 118332 PT 1904 HS(D) 118325 Bandar Sunway Daerah Petaling Selangor	12,433 / 615,983	Stellar Destiny	Sunway University College Campus	16	Leasehold expiring 01.04.2097	150,000	2007	2009
PN 17414 Lot 62059 PN 9495 Lot 32 PN 9500 Lot 51175 PT 891 HSD 233143 Bandar Sunway Daerah Petaling Selangor	18,827 / 4,363,967	Sunway Pyramid	Sunway Pyramid Shopping Mall 1 Cum Car Park	11	Leasehold expiring 21.2.2102 & 01.04.2097 & 14.08.2105	2,127,591	1986/1997	2009
			Sunway Pyramid Shopping Mall 2	2			1986/2007	2009
Lot 61760 PN 17105 Bandar Sunway Daerah Petaling Selangor	4,440 / 654,783	Menara Sunway	Commercial	16	Leasehold expiring 01.04.2097	134,260	2007	2009
Lot 5497 - 5499 HS(D) 1816-1818 Daerah Seberang Perai Tengah, Penang	7,999 / 983,099	Sunway Carnival	Sunway Carnival Shopping Mall	2	Leasehold 21.10.2092	247,679	1992/2007	2009
PN 17415 PT 62060 Bandar Sunway Daerah Petaling, Selangor	1,898 / 1,507	Sunway City	Resort Suites (2 units)	5	Leasehold 21.02.2102	1,094	2004	2009

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Properties Under Development &amp; Land Held for Development</b>								
Lot No. 331232 PN 258216 Jalan Tambun MK Ulu Kinta Daerah Kinta Perak Darul Ridzuan	8.149 / 193,408	Peluang Klasik	Hypermarket	4	Leasehold expiring 22.2.2100	49,961	1994/2005	2009
Lot 35 & 51173 PN 9492 & PN 9498 HS(D) 118331 & 118344 PN 17415/M1/1/1/1 Bandar Sunway Daerah Petaling Selangor	10.53 / 1,407,350	Sunway Resort Hotel	Sunway Resort Hotel & Spa 3 units of Villa Pavillion  Pyramid Tower Hotel	13  6  6	Leasehold expiring 1.04.2097 & 21.02.2102	274,414	1986/1997	-
Lot 41 PN 9497 Lot 51172 PN 9501 PT 638 HS(D) 174431 PT 1408 HS(D) 118321 Bandar Sunway Daerah Petaling Selangor	12.940	Sunway City	Vacant		Leasehold expiring 01.04.2097	798	1986/-	-
PT 9315 HS(D) 56708 MK Damansara Daerah Petaling Selangor	5.051	Sunway City	Vacant		Leasehold expiring 19.04.2086	559	1986/-	-
Lot 17 GRN 12371 Lot 38 GRN 27736 Kuala Lumpur Lot 39 GRN 27733 Lot 41 GRN 4488 Lot 42 GRN 9940 Jalan Ampang Wilayah Persekutuan	0.942 / 41,034	Sunway Tower 1	Vacant land		Freehold	28,327	2007	2008
PT 14438 HS(M) 5491 Mukim Damansara Daerah Petaling Selangor	1.315	Sunway Pyramid	Vacant		Leasehold expiring 14.03.2090	11,477	2001/-	2008
PN 11404 - 11417 Lot 17 -31 Bandar Sunway Daerah Petaling Selangor	2.750	Frontier Acres	Vacant		Leasehold expiring 14.11.2096	7,187	2004	-
Lot 1754 Seksyen 12 Daerah Timur Laut Penang	0.14	Sunway Hotel (Penang)	Vacant		Freehold	766.5	2008	2009
Lot 5781-83 PN 2546-48 Lot 5493 PN 1814 Lot 5646 PN 1822 Lot 5647 PN 1823 Lot 5648 PN 1824 Daerah Seberang Perai Tengah, Penang	2.10 3.290 3.480 2.540 2.490	Alliance Parade Commercial Parade Sunway City (Penang) Fame Parade Era Permission	Vacant		Leasehold expiring 21.10.2092	4,082 8,593 3,227 5,424 5,541	1992/-	-

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Properties Under Development &amp; Land Held for Development (contd.)</b>								
PT 155845 HS(D) 72921 PT 144881-897 HS(D) 72888-72908 PT 146129 HS(D) 72910 PT 146131-139 HS(D) 72912-72920 Jalan Tambun Mukim Ulu Kinta Daerah Kinta, Perak Darul Ridzuan	1,121.850	Sunway City (Ipoh) Group	Mixed Development under construction		Leasehold expiring 27.10.2097	24,342	1994/-	-
PT 220409 HS(D) 174259 Mukim Hulu Kinta Daerah Kinta, Perak Darul Ridzuan	16.193	Sunway City (Ipoh) Group	Hot Spring Resort under construction		Leasehold expiring 06.07.2107	58,736	2008	-
PT 242982 Lot 32856 PT 242981 Lot 32979 PT 242980 Lot 32978 PT 44758 HS(D) 129465 Mukim Cheras Selangor Darul Ehsan	4.65	Sunway City Properties	Mixed Development under construction		Freehold	8,415	2003/-	-
PT 16643 Lot 917 Bandar Petaling Jaya Selatan Daerah Petaling Selangor Darul Ehsan	1.777	Sunway City Properties	Vacant		Leasehold expiring 25.5.2097	289	1998/-	-
PT 4023 HS(D) 28648 PT 4025-26 HS(D) 28650-51 PT 4028 HS(D) 28653 PT 1696-97 HS(D) 39673-74 PT 14527 HS(D) 67894 Lot 238 HS(D) 3477 Lot 896 GRN 17426 MK Semenyih Daerah Ulu Langat Selangor Darul Ehsan	538.181	Sunway Semenyih	Mixed Development under construction		Freehold	127,973	1996/- & 2000/-	-
Lot No 14698 to 14724, 14725, 14736 & 14737 Mukim Bukit Raja Daerah Petaling Selangor Darul Ehsan	8.060	Sunway Monterez	Vacant		Leasehold expiring 13.12.2091	14,084	2001/-	-
Lot 39019 Geran Mukim 300, Lot 39020 Tempat Sg Penaga Mukim Damansara, Daerah Petaling Negari Selangor	86,638	Richworld Class	Vacant		Freehold	9,532	2009	-
PTD No.5402 HS(D) 219359 PTD No. 5403 HS(D) 219360 PTD No. 5263 HS(D) 219220 PTD No. 14738 HS(D) 24692 Mukim Bukit Raja Daerah Petaling Selangor Darul Ehsan	0.380	Sunway Monterez	Residential Development Low cost flat (3 units) 2 Sty link house (3 units)		Leasehold expiring 13.12.2091	1,050	2001/2005	-



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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Properties Under Development and Land Held for Development (contd.)</b>								
PT 370 HS(D) 145185 Pekan Baru Sungai Buloh District of Petaling Selangor Darul Ehsan	1.400	Sunway Damansara	Sunway Giza Commercial Development under construction		Leasehold expiring 13.5.2095	28,793	1995/-	-
PT 33491-33494 HS(D) 103054-103057 PT 371-376 HS(D) 145186-145191 MK Sungei Buloh Daerah Petaling Selangor Darul Ehsan	43.510	Sunway Damansara	Mixed Development under construction		Leasehold expiring 13.5.2095	86,051	1995/-	-
Lot 6175 GM 2507 Mukim & Daerah Kuala Lumpur Wilayah Persekutuan	3.133	Sunway Damansara	Vacant (Taman Duta land)		Freehold	28,490	2007/-	-
PT 6595 HS(D) 103603 PT 6594 HS(D) 103602 in Mukim of Kuala Lumpur	31.480	Sunway D'Mont Kiara	Residential Development under construction		Freehold	140,669	2001/-	-
Lot 5827 GM No. 955 Daerah Barat Daya, Penang	3.434	Sunway Grand	Sunway Prima Commercial Development under construction		Freehold	12,549	2007/-	-
H.S.(M) 2541 PT6384 Mukim 11, Daerah Barat Daya, Penang	7.84	Sunway Grand	Sunway Merica Residential Development under construction		Freehold	18,370	2007/-	-
Lot 947 GM No. 251 Lot 736 GM No. 430 Lot 946 GM No. 659 Lot 945 GM No. 250 Mukim 11, Daerah Barat Daya, Penang	2.79 0.76 1.29 1.41	Sunway Grand	Vacant		Freehold	10,306	2005/- 2007/- 2007/- 2007/-	-
No. GM. 442 Lot 1289 No. GRN. 3889 Lot 1799 No. GM. 1989 Lot 6633 No. G.M. 2046 Lot 6634 Mukim 13, Tempat Sungai Dua, Daerah Timur Laut, Penang	4.01 15.11 2.35 2.04	Sunway Bukit Gambier	Residential Development under construction		Freehold	10,452 39,345 6,412 5,558	2004/-	-
Lot 337 GM No. 545 Lot 1473 GM No. 893 Lot 1478 GM No. 898 Lot 1480 GM No. 899 Lot 1515 GM No. 710 Lot 1476 GM No. 896 Lot 1517 GM No. 711 Lot 1479 GM No. 367 Lot 1477 GM No. 897 Lot 1472 GM No. 892 Lot 1475 GM No. 895 Mukim 12, Daerah Barat Daya, Penang	1.96 1.24 4.47 1.51 5.08 1.10 1.51 1.85 0.79 1.91 0.36	Sunway Grand	Vacant		Freehold	3,222 2,036 7,349 1,793 8,344 1,803 2,473 2,086 1,142 3,286 608	2007/- 2007/- 2007/- 2007/- 2007/- 2007/- 2007/- 2008/- 2008/- 2009/- 2009/-	-

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Properties Under Development and Land Held for Development (contd.)</b>								
Lot 2172 GM No. 1037 MK 9 Daerah Barat Daya Penang	0.55	Sunway Tunas	Vacant		Freehold	433	2000/-	-
PT 909, 915, 916, 918, 919, 920 PT 892, 910, 911, 912, 913 PT 914, 917, 885, 887 PT921, 922, 908 Bandar Sunway, Selangor	88	Sunway South Quay	Mixed Development under construction		Leasehold expiring 15-May-2106 & 2-Apr-2106 & 15-Jul-2104	452,673	2004 & 2005 & 2006	-
GRN. 69599 Lot 30086 HS(D) 112594 PT No 8653 & GRN. 67367 Lot 30087 HS(D) 113033 PT No 8667 Mukim Setapak, Daerah Kuala Lumpur	56.473	Sunway Melawati	Vacant		Freehold	51,365	2005/-	-
PT 895, 923 Bandar Sunway, Selangor	7.690	Sunway Monash-U Residence	Properties under construction		Leasehold expiring 15-May-2106 & 2-Apr-2106	79,903	-	-
<b>Completed Properties for Sale</b>								
Lot 1899, Tempat Sungai Teba Geran Mukim 1130 Mukim Batu Negeri Wilayah Persekutuan	0.03 / 1,233	Sunway City	Casa Kiara Condo	4	Freehold	315	2006	
PN 11815 PT 61770 Bandar Sunway Daerah Petaling Selangor	5.134 / 14,587	Sunway City	Lagoonview (5 units)	10	Leasehold expiring 01.04.2097	2,289	1986/1998	-
PT 17230 HS(D) 9296 PT 1384 HS(D) 8437	0.098 / 3,516	Sunway City	Residential (2 units)	15-19	Leasehold expiring 11.03.2095 & 30.10.2093	221	1986/1989- 1993	-
PT 34 HS(D) 118338 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	0.044 / 1,904	Sunway City	Sun-U Residence Block A (2 units)	7	Leasehold expiring 01.01.2097	1,674	1986/2001	-
PT 45 HS(D) 118349 Mukim Damansara Daerah Petaling Selangor	0.404 / 22,324	Sunway City	Mentari Business Park (25 units)	4	Leasehold expiring 1.4.2097	5,749	2005	-
PT 3682, HS(D) 5163 Daerah Seberang Perai Tengah, Penang	1.005 / 43,773	Sunway City (Penang)	Business Park (49 units)	10	Leasehold expiring 21.10.2092	5,857	1992/2000	-

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Location Address	Land Area (acre)/ built up area (sq ft)	Owned by	Existing Use	Age of building (years)	Tenure	Carrying amount/ Market Value RM'000	Year of Acquisition of Land/ Building	Year of Revaluation
<b>Completed Properties for Sale (contd.)</b>								
PT 144596 HS(D) 72607 PT 144598 HS(D) 72609 PT 144615 HS(D) 72626 PT 144564 HS(D) 72575 PT 144570 HS(D) 72581 PT 144572 HS(D) 72583 PT 171417 HS(D) 92949 PT 144661-144662 HS(D) 72672-72673 PT 144664-144669 HS(D) 72675-72680 PT 144671 HS(D) 72682 PT 144693-144696 HS(D) 72704-72707 PT 144728-144729 HS(D) 72739-72740 PT 14431-14432 HS(D) 72742-72743 Jalan Tambun MK Ulu Kinta Daerah Kinta, Perak	1.15 / 50,030	Sunway City (Ipoh)	Commercial & Industrial (24 units)	8	Leasehold expiring 27.10.2097	1,653	1994/2000	-
PT 12520 Lot 013850S PT 12523 Lot 013853S Daerah Kinta Bandar Ipoh, Perak	0.575 / 25,028	Area Star	Shop Offices (2 units)	3	Freehold	2,029	1,996	-
PT 369 HS(D) 145184 Mukim Sungei Buloh Daerah Petaling Selangor Darul Ehsan	2.91 / 126,802	Sunway Damansara	Carpark structure	1	Leasehold expiring 23.11.2100	19,900	1995/2008	-
PN 11814 PT 61769 Bandar Sunway Daerah Petaling Selangor	6.783 / 4,999	Sunway City	Palmville Condominium (3 units)	13	Leasehold expiring 01.04.2097	644	1986/1995	2009
<b>Overseas Properties</b>								
No. 1, Street 92, Sangkat Wat, Phnom Penh, Cambodia	0.989 / 125,313	Sunway Hotel Phnom Penh	Sunway Hotel Phnom Penh	12	Leasehold expiring 28.04.2066	23,621	1996/1996	-
Lot 1 on Deposited Plan 773643 County of Cumberland Parish Of Melville Sydney, Australia	148.250	Sunway Australia Unit Trust	Vacant		Freehold	5,899	1997/-	-

# Recurrent Related Party Transactions

Pursuant to Chapter 10, Paragraph 10.09(2)(b) and Practice Note 12 of the Listing Requirements of Bursa Malaysia Securities Berhad, the details of the Recurrent Related Party Transactions of a revenue or trading nature conducted pursuant to the Shareholders' Mandate during the financial period ended 31 December 2009 are as follows:-

	<b>Mandated Related Parties</b>	<b>Nature of Transactions</b>	<b>Purchases RM'000</b>	<b>Sales RM'000</b>
(a)	Sunway Holdings Berhad ("Sunway Holdings") Group	Procurement of construction and related services.*	119,674	-
(b)	Sunway Education Group Sdn Bhd ("SEG") Group	Rental of premises/ properties.#	-	41,347
(c)	Dekon Holdings Sdn Bhd Group	Procurement of construction and related services.*	194,168	-

## NOTES:

\* Include inter alia, construction of civil & building works, contracting in mechanical, electrical & engineering works, prefabricated construction of building & civil works, precast concrete building contracts and piling contracts.

# The addresses of the premises/properties are No. 5, Jalan Universiti, Bandar Sunway, 46150 Petaling Jaya, Selangor; Jalan PJS 7/16, Bandar Sunway, 46150 Petaling Jaya, Selangor; Jalan PJS 9/1G, Bandar Sunway, 46150 Petaling Jaya, Selangor; Sun-U Residence at No. 1, Jalan PJS 11/26, Bandar Sunway, 46150 Petaling Jaya, Selangor; Jalan Lagoon Selatan, Bandar Sunway, 46150 Petaling Jaya, Selangor and Jalan Universiti PJS 11/26A, 46150 Petaling Jaya, Selangor.

<b>Provision of Financial Assistance</b>	<b>Mandated Related Party</b>	<b>RM'000</b>
Pooling of funds via a centralised treasury management function or such similar arrangements on a short or medium term basis (i.e. for a duration not exceeding 3 years) [hereinafter referred to as "Provision of Financial Assistance"]	Provision of Financial Assistance by SunCity or its subsidiaries to Sunway Resort Hotel Sdn Bhd	25,974

## Relationship of Related Parties with SunCity Group

### (a) Sunway Holdings Group

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director of SunCity and Sunway Holdings as well as a Major Shareholder of SunCity Group and Sunway Holdings Group. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, the spouse of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, who is a Director of Sunway Lagoon Club Berhad (a 84% owned subsidiary of SunCity) and a Major Shareholder of SunCity Group, is also a Director of Sunway Management Sdn Bhd (a wholly-owned subsidiary of Sunway Holdings) and a Major Shareholder of Sunway Holdings Group. Sarena Cheah Yean Tih, the child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, is a Director and Alternate Director in several subsidiaries of SunCity as well as a Major Shareholder of SunCity Group and Sunway Holdings Group. Evan Cheah Yean Shin, the child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, who is the Alternate Director to Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng in Sunway Lagoon Club Berhad, is also a Director and Alternate Director in several subsidiaries of Sunway Holdings as well as a Major Shareholder of Sunway Holdings Group.

### (b) SEG Group

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director of SEG Group and he has deemed interest in SEG Group via a corporation where he has more than 15% shareholding. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih are Directors of SEG Group. Sarena Cheah Yean Tih and Evan Cheah Yean Shin have deemed interests in SEG Group via a corporation where they have more than 15% shareholdings. Datuk Razman M Hashim who is a Director of SunCity Group and a shareholder of SunCity, is also a Director of SEG Group.

### (c) Dekon Holdings Sdn Bhd Group

Datuk Razman M Hashim who is a Director of SunCity Group and a shareholder of SunCity, is a Major Shareholder of Dekon Holdings Sdn Bhd Group.

### (d) Sunway Resort Hotel Sdn Bhd

Government of Singapore Investment Corporation Pte Ltd is a Major Shareholder of SunCity and has 48% deemed interest in Sunway Resort Hotel Sdn Bhd, a 52% owned subsidiary of SunCity.



## Directors' Interests In Shares, Options Over Ordinary Shares And Warrants as at 22 April 2010

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Ordinary Shares of RM1.00 each		
	No.	%
Direct Interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling	12,823,251	2.73
Datuk Razman M Hashim	380,000	0.08
Ngian Siew Siong	20,000	#
Ngeow Voon Yean	300,000	0.06
Tan Sri Dato’ Ir Talha Bin Haji Mohd Hashim	10,000	#
Teo Tong How	25,000	0.01
Deemed Interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling <sup>1</sup>	192,473,117	40.96
Options over Ordinary Shares of RM1.00 each		
	No.	
Direct Interest		
Tan Sri Dato’ Ir Talha Bin Haji Mohd Hashim		50,000
Teo Tong How		50,000
Tan Siak Tee		50,000
Datin Paduka Low Siew Moi		50,000
Warrants 2007/2017		
	No.	%
Direct Interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling	5,817,591	3.79
Datuk Razman M Hashim	131,096	0.09
Ngian Siew Siong	6,676	#
Ngeow Voon Yean	100,000	0.07
Deemed Interest		
Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling <sup>1</sup>	67,195,939	43.83
Ngian Siew Siong <sup>2</sup>	3,343	#

By virtue of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling's substantial interest in the shares of SunCity, he is also deemed to have an interest in the shares of all the subsidiaries of SunCity to the extent SunCity has an interest.

NOTES:

1 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child.

2 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.

# Negligible.

## Analysis Of Shareholdings as at 22 April 2010

Authorised Share Capital	- RM1,000,000,000 comprising 800,000,000 Ordinary Shares of RM1.00 each and 200,000,000 Cumulative Convertible Preference Shares of RM1.00 each
Issued and Paid-up Share Capital	- RM469,951,432 comprising 469,951,432 Ordinary Shares of RM1.00 each
Class of Shares	- Ordinary Shares of RM1.00 each
Voting Rights	- One vote per share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	152	2.91	1,699	0.00
100 - 1,000	2,651	50.79	2,507,409	0.53
1,001 - 10,000	1,944	37.24	7,425,190	1.58
10,001 - 100,000	350	6.70	11,530,795	2.46
100,001 - 23,497,570 (Less than 5% of issued shares)	120	2.30	202,234,100	43.03
23,497,571 (5%) and above	3	0.06	246,252,239	52.40
	5,220	100.00	469,951,432	100.00

### THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
1. Sungei Way Corporation Sdn Bhd	-	106,252,239	22.61
2. Cartaban Nominees (Asing) Sdn Bhd	Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	100,000,000	21.28
3. ABB Nominee (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	40,000,000	8.51
4. Dato' Lim Say Chong	-	21,022,000	4.47
5. Teng Yew Huat	-	15,813,800	3.36
6. Jef-San Enterprise Sdn Bhd	-	15,801,045	3.36
7. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	11,813,251	2.51
8. HSBC Nominees (Tempatan) Sdn Bhd - Nomura Asset Mgmt Malaysia	Employees Provident Fund	8,806,200	1.87
9. Strategic Alpha Ventures Sdn Bhd	-	8,234,900	1.75
10. Progressive Traders Sdn Bhd	-	7,958,490	1.69
11. Active Equity Sdn Bhd	-	7,776,552	1.65
12. Oriental Dragon Enterprises Inc.	-	6,963,200	1.48
13. Active Builder Sdn Bhd	-	6,523,930	1.39
14. Amanahraya Trustees Berhad	Amanah Saham Malaysia	6,374,100	1.36
15. HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston	GMO Emerging Markets Fund	5,316,038	1.13
16. Timah Sini-Sana Sdn Bhd	-	5,213,409	1.11
17. Lim Suan	-	4,375,700	0.93

Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
18. Cartaban Nominees (Asing) Sdn Bhd - Exempt AN	Credit Suisse Securities (Europe) Limited	3,946,500	0.84
19. Citigroup Nominees (Asing) Sdn Bhd - CBNY	Dimensional Emerging Markets Value Fund	3,565,000	0.76
20. Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	3,353,400	0.71
21. HSBC Nominees (Asing) Sdn Bhd - Exempt AN	J.P. Morgan Bank Luxembourg S.A.	3,189,766	0.68
22. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	Prudential Fund Management Berhad	2,913,900	0.62
23. Mayban Nominees (Tempatan) Sdn Bhd	Mayban Life Assurance Berhad	2,240,000	0.48
24. Amanah Raya Berhad	Kumpulan Wang Bersama	2,035,500	0.43
25. HSBC Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	2,000,000	0.43
26. Mayban Nominees (Tempatan) Sdn Bhd	Etiqu Insurance Berhad (Life Par Fund)	1,800,000	0.38
27. Teng Yew Huat	-	1,727,600	0.37
28. Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad	Saham Amanah Sabah	1,679,900	0.36
29. Amanahraya Trustees Berhad	Public Islamic Select Treasures Fund	1,522,000	0.32
30. Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd	Employees Provident Fund	1,430,000	0.30

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling		
• Direct interest	12,823,251	2.73
• Deemed interest #a	192,473,117	40.96
2. Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
• Direct interest	10,000	*
• Deemed interest #b	205,286,368	43.68
3. Sarena Cheah Yean Tih		
• Direct interest	10,000	*
• Deemed interest #c	205,286,368	43.68
4. Sungei Way Corporation Sdn Bhd		
• Direct interest	149,179,691	31.74
• Deemed interest #d	5,213,409	1.11
5. Timah Dunia Dredging Sdn Bhd		
• Deemed interest #e	154,393,100	32.85
6. Active Equity Sdn Bhd		
• Direct interest	7,776,552	1.65
• Deemed interest #f	162,351,590	34.55
7. Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	100,000,000	21.28

### NOTES:

#a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child.

#b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child.

#c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Sungei Way Corporation Sdn Bhd and parents.

#d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Timah Sini-Sana Sdn Bhd.

#e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd and Timah Sini-Sana Sdn Bhd.

#f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Progressive Traders Sdn Bhd, Sungei Way Corporation Sdn Bhd and Timah Sini-Sana Sdn Bhd.

\* Negligible.

# Analysis Of Warrantholdings as at 22 April 2010

## DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	154	7.03	6,325	0.01
100 - 1,000	1,080	49.25	524,526	0.34
1,001 - 10,000	631	28.77	2,420,350	1.58
10,001 - 100,000	256	11.67	8,307,610	5.42
100,001 - 7,664,866 (Less than 5% of warrants in issue)	70	3.19	58,825,607	38.37
7,664,867 (5%) and above	2	0.09	83,212,926	54.28
	2,193	100.00	153,297,344	100.00

## THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	Name of Beneficial Owners	No. of Warrants	%
1. Sungei Way Corporation Sdn Bhd	-	49,879,593	32.54
2. Cartaban Nominees (Asing) Sdn Bhd	Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	33,333,333	21.74
3. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	5,480,925	3.58
4. Jef-San Enterprise Sdn Bhd	-	5,267,015	3.44
5. Oriental Dragon Enterprises Inc.	-	4,494,693	2.93
6. HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston	GMO Emerging Markets Fund	4,395,496	2.87
7. CIMB Group Nominees (Tempatan) Sdn Bhd - BHLB Trustee Berhad	HLG Asia-Pacific Property Income Plus Fund	3,454,300	2.25
8. Active Equity Sdn Bhd	-	3,092,184	2.02
9. Progressive Traders Sdn Bhd	-	2,652,830	1.73
10. Dato' Lim Say Chong	-	2,608,700	1.70
11. Active Builder Sdn Bhd	-	2,174,643	1.42
12. Sungei Jaya Sdn Bhd	-	2,076,055	1.35
13. Cartaban Nominees (Asing) Sdn Bhd - Lehman Brothers Securities Asia Limited	Lehman Brothers Commercial Corporation Asia Limited	1,750,000	1.14
14. Timah Sini-Sana Sdn Bhd	-	1,737,803	1.13
15. RHB Capital Nominees (Tempatan) Sdn Bhd	Susy Ding	1,433,900	0.94
16. Mayban Nominees (Tempatan) Sdn Bhd	Beh Chan Pin	1,185,000	0.77



Name of Warrantholders	Name of Beneficial Owners	No. of Warrants	%
17. RHB Nominees (Tempatan) Sdn Bhd - Amara Investment Management Sdn Bhd	Wong Yee Hui	1,031,000	0.67
18. Inter-Pacific Equity Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd	Chumpon Chantharakulpongsa	850,000	0.55
19. Yap Chi Keong	-	759,500	0.50
20. Ngan Teng Han	-	740,000	0.48
21. Teng Yew Huat	-	700,000	0.46
22. HLG Nominee (Tempatan) Sdn Bhd - Hong Leong Bank Bhd	Chuan Hong Hang Sdn Berhad	700,000	0.46
23. Mayban Securities Nominees (Tempatan) Sdn Bhd	Lee Siu Wah	582,300	0.38
24. Dato' Tan Kia Loke	-	555,000	0.36
25. OSK Nominees (Tempatan) Sdn Bhd	Ng Kok Hin	549,900	0.36
26. Chong Cheng Sing	-	549,800	0.36
27. Chong Kuan Sang	-	542,066	0.35
28. Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd	Lim Chuan Seng	540,000	0.35
29. HSBC Nominees (Asing) Sdn Bhd - Exempt AN	The Bank of New York Mellon	487,266	0.32
30. Public Nominees (Tempatan) Sdn Bhd	Lim Eng Kwee	370,000	0.24

# Notice Of 26th Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 26<sup>th</sup> Annual General Meeting of SUNWAY CITY BERHAD (87564-X) will be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 at 4.00 p.m. for the following purposes:-

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial period ended 31 December 2009 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To declare a final dividend of 5% per ordinary share less 25% income tax for the financial period ended 31 December 2009 as recommended by the Directors. (Ordinary Resolution 2)
3. To approve the following increase in Directors' fees and to approve the payment of Directors' fees totalling RM276,000/- for the financial period ended 31 December 2009:-
  - (a) from RM30,000/- to RM40,000/- per annum for Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim, the Senior Independent Non-Executive Director; and
  - (b) from RM18,000/- to RM36,000/- per annum for the other Non-Executive Directors namely Datin Paduka Low Siew Moi, Teo Tong How, Lim Swe Guan and Tan Siak Tee. (Ordinary Resolution 3)
4. To re-elect the following Directors:-
  - 4.1 Datin Paduka Low Siew Moi retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers herself for re-election. (Ordinary Resolution 4)
  - 4.2 Lim Swe Guan retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 5)
  - 4.3 Ho Hon Sang retires pursuant to Article 77(2) of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 6)
5. To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-
  - 5.1 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 7)
  - 5.2 "THAT pursuant to Section 129 of the Companies Act, 1965, Datuk Razman M Hashim who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 8)
6. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 9)

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT** subject to the approval of the shareholders at the 26th Annual General Meeting to be held on 25 June 2010, a final dividend of 5% per ordinary share less 25% income tax for the financial period ended 31 December 2009 will be paid on 22 September 2010 to Depositors registered on the Company's Record of Depositors on 24 August 2010.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Securities transferred into the Depositor's securities account before 4.00 p.m. on 24 August 2010 in respect of transfers; and
- (b) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**PUAN SRI DATIN SERI (DR) SUSAN CHEAH SEOK CHENG** (MIA 5601)

**TAN KIM AUN** (MAICSA 7002988)

**LEE SUAN CHOO** (MAICSA 7017562)

Company Secretaries

Petaling Jaya

1 June 2010

**NOTES:**

1. **The Company has changed its financial year end from 30 June to 31 December and an announcement has been made to Bursa Malaysia Securities Berhad on 12 December 2008 on the change of financial year end. Section 143(1) of the Companies Act, 1965 states that an Annual General Meeting ("AGM") must be held once in every calendar year. The Companies Commission of Malaysia had granted its approval for an extension of time until 30 June 2010 for the Company to hold its AGM in respect of the calendar year 2009. The Company did not hold any AGM in the calendar year 2009. Hence, the forthcoming 26th AGM will be held to table the 18-month Audited Financial Statements made up from 1 July 2008 to 31 December 2009 as well as other ordinary businesses, and this AGM shall be deemed to be held for the calendar year 2009.**
2. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
3. 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 the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
4. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
5. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. 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, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

**EXPLANATORY NOTE ON RETIREMENT OF DIRECTOR:**

Teo Tong How who is retiring by rotation pursuant to Article 78 of the Company's Articles of Association at the forthcoming 26th AGM of the Company, has not offered himself for re-election. Accordingly, he will retire at the conclusion of the 26th AGM.

# Notice Of 27th Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 27<sup>th</sup> Annual General Meeting of SUNWAY CITY BERHAD (87564-X) will be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 immediately following the conclusion or adjournment (as the case may be) of the 26<sup>th</sup> Annual General Meeting which will be held at 4.00 p.m. on the same day and at the same venue, for the following purposes:-

## AS ORDINARY BUSINESS

1. To re-elect the following Directors:-
  - 1.1 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 1)
  - 1.2 Ngeow Voon Yean retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 2)
  - 1.3 Ngian Siew Siong retires by rotation pursuant to Article 78 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 3)
2. To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-
  - 2.1 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 4)
  - 2.2 "THAT pursuant to Section 129 of the Companies Act, 1965, Datuk Razman M Hashim who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 5)
3. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

4. **ORDINARY RESOLUTION:**  
**Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965**  
  
"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." (Ordinary Resolution 7)



5. **ORDINARY RESOLUTION:  
Proposed Shareholders' Mandate for Recurrent Related Party  
Transactions of a Revenue or Trading Nature**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 1 June 2010 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 Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 8)

6. **ORDINARY RESOLUTION:  
Proposed Shareholders' Mandate for Recurrent Related Party  
Transactions of a Revenue or Trading Nature involving the interest of the  
Government of Singapore Investment Corporation Pte Ltd Group**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time with the Government of Singapore Investment Corporation Pte Ltd Group, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 1 June 2010 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 Government of Singapore Investment Corporation Pte Ltd Group than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

## Notice Of 27th Annual General Meeting

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 9)

### 7. **ORDINARY RESOLUTION:**

#### **Proposed Authority for the Purchase of Own Shares by the Company**

"THAT subject to the Companies Act, 1965 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares of RM1.00 each in the Company ("SunCity Shares") which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the SunCity Shares shall not exceed the Company's audited retained profits and/or share premium account at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the SunCity Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the SunCity Shares so purchased or to retain the SunCity Shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the SunCity Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the SunCity Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 10)

**8. SPECIAL RESOLUTION:  
Proposed Amendment to Article 129 of the Company's Articles of Association on Electronic Dividend Payment (eDividend)**

"THAT the Company's Articles of Association be hereby amended by deleting the existing Article 129 in its entirety and substituting the following new Article 129:-

**Existing Article 129**

Save for any dividend to be distributed as permitted by Article 124, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent cash through the post directed to the registered address of the holder, subject to the Companies Act, the Central Depositories Act and the Rules or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one (1) of such persons or to such person and to such address as such persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the payment of any cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.

## Notice Of 27th Annual General Meeting

### New Article 129

Any dividend, interest or other monies payable in cash in respect of shares or other securities may be paid by cheque or warrant sent through the post directed to the registered address of the Member or person entitled thereto as it appears in the Register, or paid via electronic transfer or remittance to the bank account provided by the Member or person entitled thereto who is named in the Register and/or Record of Depositors, or if several persons registered as joint holders of the shares or securities are entitled thereto, to the registered address or via electronic transfer or remittance to the bank account provided by the joint holder first named on the Register or to the extent permissible under the Central Depositories Act and the Rules, in the Record of Depositors or to such person and to such address or bank account as the holder or first named joint holder may in writing direct, or if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons and to such address or bank account as such persons may in writing direct. Every such cheque or warrant or electronic transfer or remittance shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the shares or securities in consequence of the death or bankruptcy of the holder may direct. The payment of any such cheque or warrant or electronic transfer or remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon or the instruction for the electronic transfer or remittance has been forged, or regardless of any discrepancy in the details of bank account given by the Member. Every such cheque or warrant or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented and the Company shall have no responsibility for any sums lost or delayed in the course of any transfer or where the Company has acted on any such instructions."

(Special Resolution 1)

By Order of the Board

**PUAN SRI DATIN SERI (DR) SUSAN CHEAH SEOK CHENG** (MIA 5601)

**TAN KIM AUN** (MAICSA 7002988)

**LEE SUAN CHOO** (MAICSA 7017562)

Company Secretaries

Petaling Jaya

1 June 2010

#### NOTES:

1. **Section 143(1) of the Companies Act, 1965 states that an Annual General Meeting ("AGM") must be held once in every calendar year. Therefore, the forthcoming 27th AGM of the Company will be held in respect of the calendar year 2010. There will be no Audited Financial Statements tabled at this AGM. The 18-month Audited Financial Statements for the financial period ended 31 December 2009 will be tabled at the 26th AGM.**
2. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
3. 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 the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
4. If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
5. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
6. 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, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

**EXPLANATORY NOTES ON SPECIAL BUSINESS:****1. Ordinary Resolution 7 - Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965**

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

As at the date of this notice, no new shares were issued pursuant to the mandate granted at the last Annual General Meeting held on 12 December 2008.

**2. Ordinary Resolutions 8 and 9 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The details on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 1 June 2010.

**3. Ordinary Resolution 10 - Proposed Authority for the Purchase of Own Shares by the Company**

The details on the proposed authority for the purchase of own shares by the Company are set out in the Circular to Shareholders dated 1 June 2010.

**4. Special Resolution 1 - Proposed Amendment to Article 129 of the Company's Articles of Association on Electronic Dividend Payment (eDividend)**

The proposed amendment to Article 129 will facilitate the payment of cash dividend entitlements via electronic transfer directly into the bank accounts of shareholders (eDividend). eDividend provides the shareholders faster access to cash dividends, eliminates the inconvenience of having to deposit the dividend cheques and problems such as misplaced, lost or expired cheques and unauthorised deposit of dividend cheques.



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# FORM OF PROXY

26th Annual General Meeting

Number of share(s) held	
CDS Account No.	



**SUNWAY CITY BERHAD** (87564-X)  
(Incorporated in Malaysia)

Registered Office:  
Level 16, Menara Sunway, Jalan Lagoon Timur  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : 03-5639 8889 / 5639 8848  
Fax : 03-5639 9507

## PROXY "A"

I/We ..... \*NRIC No./Passport No./Company No .....  
(Please use Block Letters)  
Tel./Mobile No ..... of .....  
.....being a member of SUNWAY CITY BERHAD and entitled to vote hereby appoint .....  
(Please use Block Letters)  
\*NRIC No./Passport No ..... Tel./Mobile No ..... of .....  
..... or failing him/her, the Chairman of the Meeting as my/our 1st proxy to attend and vote for me/us  
on my/our behalf at the 26th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling  
Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 at 4.00 p.m. and at any adjournment thereof.

**WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED.**

## PROXY "B"

I/We ..... \*NRIC No./Passport No./Company No .....  
(Please use Block Letters)  
Tel./Mobile No ..... of .....  
..... being a member of SUNWAY CITY BERHAD and entitled to vote hereby appoint .....  
(Please use Block Letters)  
\*NRIC No./Passport No ..... Tel./Mobile No ..... of .....  
..... or failing him/her, the Chairman of the Meeting as my/our 2nd proxy to attend and vote for me/us  
on my/our behalf at the 26th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling  
Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 at 4.00 p.m. and at any adjournment thereof.

**The proportions of my/our holding to be represented by my/our proxies are as follows:-**

1st Proxy "A" - % (to be completed)  
2nd Proxy "B" - % (to be completed)  
Total : 100 %

**In case of a vote taken by a show of hands, \*1st Proxy "A" / \*2nd Proxy "B" shall vote on my/our behalf.**

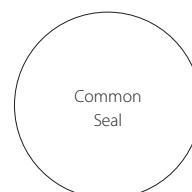
\* Delete if inapplicable

My/our proxy/proxies shall vote as follows:-

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion)

NO.	ORDINARY RESOLUTIONS	1ST PROXY "A"		2ND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial period ended 31 December 2009 together with the Directors' and Auditors' Reports thereon				
2.	To declare a final dividend of 5% per ordinary share less 25% income tax				
3.	To approve the increase in Directors' fees and the payment thereof				
4.	To re-elect the following Directors:- Datin Paduka Low Siew Moi				
5.	Lim Swe Guan				
6.	Ho Hon Sang				
7.	To approve the re-appointment of Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim				
8.	To approve the re-appointment of Datuk Razman M Hashim				
9.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				

Dated this..... day of ..... 2010



Signature of Member.....

- NOTES:
- A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
  - 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 the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
  - If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
  - Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
  - 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, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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STAMP

THE COMPANY SECRETARY  
**SUNWAY CITY BERHAD** (87564-X)  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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# FORM OF PROXY

27th Annual General Meeting

Number of share(s) held	
CDS Account No.	



**SUNWAY CITY BERHAD** (87564-X)  
(Incorporated in Malaysia)

Registered Office:  
Level 16, Menara Sunway, Jalan Lagoon Timur  
Bandar Sunway, 46150 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : 03-5639 8889 / 5639 8848  
Fax : 03-5639 9507

## PROXY "A"

I/We ..... \*NRIC No./Passport No./Company No .....  
(Please use Block Letters)

Tel/Mobile No ..... of .....  
..... being a member of SUNWAY CITY BERHAD and entitled to vote hereby appoint .....  
(Please use Block Letters)

\*NRIC No./Passport No ..... Tel/Mobile No ..... of .....  
..... or failing him/her, the Chairman of the Meeting as my/our 1st proxy to attend and vote for me/us  
on my/our behalf at the 27th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling  
Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 immediately following the conclusion or adjournment (as the case may be) of the 26th Annual General Meeting which will be held at  
4.00 p.m. on the same day and at the same venue.

**WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED.**

## PROXY "B"

I/We ..... \*NRIC No./Passport No./Company No .....  
(Please use Block Letters)

Tel/Mobile No ..... of .....  
..... being a member of SUNWAY CITY BERHAD and entitled to vote hereby appoint .....  
(Please use Block Letters)

\*NRIC No./Passport No ..... Tel/Mobile No ..... of .....  
..... or failing him/her, the Chairman of the Meeting as my/our 2nd proxy to attend and vote for me/us  
on my/our behalf at the 27th Annual General Meeting of the Company to be held at Grand Bahamas, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling  
Jaya, Selangor Darul Ehsan on Friday, 25 June 2010 immediately following the conclusion or adjournment (as the case may be) of the 26th Annual General Meeting which will be held at  
4.00 p.m. on the same day and at the same venue.

**The proportions of my/our holding to be represented by my/our proxies are as follows:-**

1st Proxy "A" - % (to be completed)  
2nd Proxy "B" - % (to be completed)  
Total : 100 %

**In case of a vote taken by a show of hands, \*1st Proxy "A" / \*2nd Proxy "B" shall vote on my/our behalf.**

\* Delete if inapplicable

My/our proxy/proxies shall vote as follows:-

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion)

NO.	ORDINARY RESOLUTIONS	1ST PROXY "A"		2ND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1.	To re-elect the following Directors:- Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO				
2.	Ngeow Voon Yean				
3.	Ngian Siew Siong				
4.	To approve the re-appointment of Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim				
5.	To approve the re-appointment of Datuk Razman M Hashim				
6.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				
7.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
8.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
9.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature involving the interest of the Government of Singapore Investment Corporation Pte Ltd Group				
10.	To authorise the purchase of own shares by the Company				
NO.	SPECIAL RESOLUTION				
1.	To approve the Proposed Amendment to Article 129 of the Company's Articles of Association				

Dated this..... day of ..... 2010

Signature of Member.....

Common  
Seal

- NOTES:
- A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company.
  - 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 the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
  - If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
  - Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
  - 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, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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STAMP

THE COMPANY SECRETARY  
**SUNWAY CITY BERHAD** (87564-X)  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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# CORPORATE DIRECTORY

## PROPERTY DEVELOPMENT

**SUNWAY CITY BERHAD**  
**SUNWAY DAMANSARA SDN BHD**  
**SUNWAY D'MONT KIARA SDN BHD**  
**SUNWAY RAHMAN PUTRA SDN BHD**  
**SUNWAY MONTEREZ SDN BHD**  
**SUNWAY KINRARA SDN BHD**  
**SUNWAY TOWNHOUSE SDN BHD**  
**SUNWAY CITY PROPERTIES SDN BHD**  
**SUNWAY SOUTH QUAY SDN BHD**  
**SUNWAY MELAWATI SDN BHD**  
**SUNWAY SPK HOMES SDN BHD**  
LEVEL 1-3, MENARA SUNWAY  
JALAN LAGOON TIMUR, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 5639 8888 FAX: (603) 5639 9992

**SUNWAY TUNAS SDN BHD**  
**SUNWAY BUKIT GAMBIER SDN BHD**  
**SUNWAY CITY (PENANG) SDN BHD**  
**SUNWAY GRAND SDN BHD**  
**SUNWAY CREST SDN BHD**  
NO. 1, PERSIARAN MAHSURI 1/3  
SUNWAY TUNAS  
11900 BAYAN LEPAS, PENANG  
TEL: (604) 643 9898 FAX: (604) 644 1313

**SUNWAY CITY (IPOH) SDN BHD**  
NO. 52, JALAN SCI 1/3  
DATARAN SUNWAY, SUNWAY CITY IPOH  
31150 IPOH, PERAK  
TEL: (605) 548 6668 FAX: (605) 548 6868

**SUNWAY SEMENYIH SDN BHD**  
NO. 103, JALAN 1/3  
BANDAR TEKNOLOGI KAJANG  
43500 SEMENYIH, SELANGOR  
TEL: (603) 8723 3131 FAX: (603) 8723 3030

**SUNWAY CITY INDIA PRIVATE LIMITED**  
**SUNWAY OPUS INTERNATIONAL PRIVATE LIMITED**  
SURVEY NOS. 162P & 164  
AMEENPUR VILLAGE & POST  
OFF MIYAPUR - BACHUPALLY ROAD  
PATANCHERU MANDAL, MEDAK DISTRICT  
PIN - 502 -302, AP. INDIA  
TEL: (00) 91 40 2303 8016  
FAX: (00) 91 40 2303 8008

## PROPERTY INVESTMENT

**SUNWAY PYRAMID SDN BHD**  
CENTRE MANAGEMENT OFFICE  
LEVEL CP6, BLUE ATRIUM  
SUNWAY PYRAMID SHOPPING MALL  
NO. 3, JALAN PJS 11/15, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 7494 3000 FAX: (603) 7492 6333

**PELUANG KLASIK (M) SDN BHD**  
**KINTA SUNWAY RESORT SDN BHD**  
NO. 52, JALAN SCI 1/3  
DATARAN SUNWAY, SUNWAY CITY IPOH  
31150 IPOH, PERAK  
TEL: (605) 548 6668 FAX: (605) 548 6868

**SUNWAY CARNIVAL SDN BHD**  
LG-68, MANAGEMENT OFFICE  
SUNWAY CARNIVAL MALL  
3068 JALAN TODAK  
PUSAT BANDAR SEBERANG JAYA  
13700 SEBERANG JAYA, PENANG  
TEL: (604) 397 9888 FAX: (604) 397 9883

**SUNWAY PLATINUM SUCCESS SDN BHD**  
**SUNWAY RESIDENCE SDN BHD**  
**MENARA SUNWAY SDN BHD**  
**STELLAR DESTINY SDN BHD**  
**SUNWAY TOWER 1 SDN BHD**  
**SUNWAY TOWER 2 SDN BHD**  
UNIT 4.5, LEVEL 4 EAST LOBBY  
MENARA SUNWAY ANNEXE  
JALAN LAGOON TIMUR, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 5639 8888 FAX: (603) 5639 9595

**SUNWAY MONASH-U RESIDENCE SDN BHD**  
LEVEL 1-3, MENARA SUNWAY  
JALAN LAGOON TIMUR, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 5639 8888 FAX: (603) 5639 9992

## HOSPITALITY

**SUNWAY RESORT HOTEL SDN BHD**  
PERSIARAN LAGOON, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 7492 8000 FAX: (603) 7492 8001

**SUNWAY HOTEL (PENANG) SDN BHD**  
33, NEWLANE, GEORGETOWN  
10400 PENANG  
TEL: (604) 229 9988 FAX: (604) 228 8899

**SUNWAY HOTEL (SEBERANG JAYA) SDN BHD**  
NO. 11, LEBUH TENGGIRI DUA  
PUSAT BANDAR SEBERANG JAYA  
13700 PRAI, PENANG  
TEL: (604) 370 7788 FAX: (604) 370 0555

**SUNWAY HOTEL PHNOM PENH LTD**  
1, STREET 92, SANGKAT WAT PHNOM  
P.O. BOX 633, PHNOM PENH 12202  
KINGDOM OF CAMBODIA  
TEL : (00) 855 23 430333  
FAX: (00) 855 23 430339

**SUNWAY HOSPITALITY HOLDINGS LTD GROUP**  
LEVEL 1, UNIT 1.2, MENARA SUNWAY  
JALAN LAGOON TIMUR, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 5639 8181 FAX: (603) 5639 8182

## LEISURE

**SUNWAY LAGOON SDN BHD**  
3, JALAN PJS 11/11, BANDAR SUNWAY  
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**SUNWAY LAGOON WATER PARK SDN BHD**  
NO. 1, PERSIARAN LAGUN SUNWAY 1  
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31150 IPOH, PERAK  
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**SUNWAY TRAVEL SDN BHD**  
@ THE LINK, SUNWAY RESORT HOTEL & SPA  
PERSIARAN LAGOON, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 5632 5622 FAX: (603) 5632 4781

**SUNWAY TRAVEL SDN BHD**  
@ THE LOBBY, SUNWAY HOTEL SEBERANG JAYA  
NO. 11, LEBUH TENGGIRI DUA  
PUSAT BANDAR SEBERANG JAYA  
13700 PRAI, PENANG  
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**SUNWAY TRAVEL SDN BHD**  
@ THE LOBBY, SUNWAY HOTEL GEORGETOWN  
NO. 33, NEW LANE (OFF MACALISTER ROAD)  
GEROGETOWN  
10400 PENANG  
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**SUNWAY TRAVEL SDN BHD**  
SUNWAY UNIVERSITY COLLEGE  
NO. 5, JALAN UNIVERSITY  
BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
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**SUNWAY LEISURE SERVICES SDN BHD**  
@ MEZZANINE FLOOR, SUNWAY TOWER  
NO. 86, JALAN AMPANG  
50450 KUALA LUMPUR  
TEL: (603) 2032 5622 FAX: (603) 2032 4781

**SUNWAY LAGOON CLUB BERHAD**  
3, JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
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**SUNWAY INTERNATIONAL VACATION CLUB BERHAD**  
**SUNWAY HEALTHY LIFESTYLE SDN BHD**  
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JALAN LAGOON TIMUR, BANDAR SUNWAY  
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FAX: (603) 5639 9555

**PYRAMID BOWL SDN BHD**  
LOT F2.22, LEVEL 1  
SUNWAY PYRAMID SHOPPING MALL  
NO. 3, JALAN PJS 11/15, BANDAR SUNWAY  
46150 PETALING JAYA, SELANGOR  
TEL: (603) 7492 6307/8/9 FAX: (603) 7492 6310

## HEALTHCARE

**SUNWAY MEDICAL CENTRE BERHAD**  
NO. 5, JALAN LAGOON SELATAN  
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**SUNMED@HOME SDN BHD**  
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**SUNMED CLINICS SDN BHD**  
CP2.01, ORANGE ATRIUM  
SUNWAY PYRAMID SHOPPING MALL  
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