

Cover Rationale

This year has been filled with many rewarding memories and Sunway City Berhad is now aiming towards greater heights. After a year of great success, Sunway City Berhad has now elevated itself, rising high just like the hot air balloons and will continue to grow.





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

27 MAY 2010

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2010

20 AUGUST 2010

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2010

24 NOVEMBER 2010

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2010

22 FEBRUARY 2011

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2010

Final Dividend

5 sen Final Dividend less 25% income tax for the financial period ended 31 December 2009

Announcement of the notice of entitlement and payment: 31 MAY 2010

Date of entitlement: 24 AUGUST 2010

Date of payment: **22 SEPTEMBER 2010**

Interim Dividend

31 sen Interim Dividend less 25% income tax for the financial year ended 31 December 2010

Announcement of the notice of entitlement and payment: 23 AUGUST 2010

Date of entitlement: 9 SEPTEMBER 2010

Date of payment: **7 OCTOBER 2010**

Annual Report and Annual General Meeting

6 JUNE 2011

Date of notice of 28th Annual General Meeting and date of issuance of Annual Report 2010

30 JUNE 2011

Date of 28th Annual General Meeting

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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 RM20 billion. As at 1 May 2011, the Group has an unlaunched landbank of 1.872 acres with a GDV of RM20 billion.

The crowning jewel for SunCity is the RM6.9 billion Sunway Integrated Resort City development, popularly known as Bandar Sunway, which spans an impressive 7-million-square feet development in the Klang Valley. 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 'Resort Living within the 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 on the other hand holds a truly diversified portfolio of quality properties which includes shopping malls, office buildings, education buildings, hotels, theme parks and hospital, establishing itself as an international class investment and commercial property player in the region.

With the vast majority of investment assets achieving good yields, the property investment division has step up on the value chain by injecting eight prime properties totalling RM3.7 billion in asset value into Sunway Real Estate Investment Trust ("REIT"), making it Malaysia's largest listed REIT on the main market of Bursa Malaysia. The eight properties are Sunway Pyramid, Sunway Carnival Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya, Menara Sunway and Sunway Tower.

Corporate Profile

Hospitality Division

The Hospitality division manages a collection of hotels and resorts encompassing three brand names - Sunway Hotels & Resorts, Allson Hotels & Resorts and The Banjaran Hotsprings Retreat; representing 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 two award-winning attractions, namely the Sunway Lagoon and Lost World of Tambun, Ipoh as well as time-shared businesses like Sunway International Vacation Club. Sunway Lagoon is an iconic multi-park attraction in Malaysia. Winning Asia's Best Attraction Award for four consecutive years (2007 to 2010) awarded by the International Association of Amusement Parks & Attractions (IAAPA); it is to date the only attraction in the world to have achieved that.

In 2010, Sunway Lagoon has also been recognised by the Golden Pony Award, an award established in 2002 by Games & Parks Industry magazine to give tangible recognition to excellence in the leisure sector internationally. Lost World of Tambun is a comprehensive theme park that is situated at the edge of limestone hills and enclaves. It has won the National Tourism Award – Innovative Tourist Attraction - Natural Attraction/Eco Tourism 2008/2009.

Healthcare Division

Sunway Medical Centre ("SunMed") adds to the Group's position as a provider of quality healthcare services under the Healthcare division. SunMed has been ISO 9001: 2008 certified since 2003 and in compliance with MS ISO 15189 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 350 beds, more than 100 consultation suites, 12 operation theatres and a multi-storey car park with 700 parking bays. SunMed offers a comprehensive range of acute, tertiary level medical 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 ("GIC") Real Estate Pte Lte (the real estate arm of the GIC) has invested a 21% stake in the Group.

Apart from GIC, SunCity has also attracted various strategic local and foreign partners including Kuwait Finance House, the Employees Provident Fund, Sino-Singapore Tianjin Eco City (a joint venture between the Chinese Consortium led by Tianjin TEDA Investment Holding Co., Ltd (Tianjin TEDA) and the Singapore Consortium led by the Keppel Group), 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 two consecutive years in 2008 and 2009, Sunway won the Malaysia's Most Valuable Brand Award by Interbrand and the Association of Accredited Advertising Agents Malaysia (4As) and the Brand Laureate Conglomerate Award by Asia Pacific Brands Foundation. Winning both the awards for two consecutive years affirms Sunway'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 and Bronze Award in in the property category awarded at the inaugural Putra Brand Awards 2011. 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), the Malaysian Advertisers Association (MAA), and the Media Specialists Association (MSA).

SunCity is also recognized as one of the top property developers in Malaysia. For the eighth 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.

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. On this matter, SunCity has received the National Annual Corporate Report Awards ("NACRA") for the fourth consecutive year for the Industry Excellence Award categorised under the Main Market, Properties, Hotels and Trusts category from 2007 to 2010. The award was jointly presented by Bursa Malaysia, Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA).

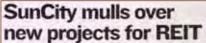
In 2009, SunCity also clinched the Silver Award for Best Annual Report in Bahasa Malaysia. NACRA is Malaysia's most prestigious award in recognition of excellence in corporate reporting and is a clear testament of its high standards in corporate reporting.

In addition, for the very first time in the 2nd Malaysian Corporate Governance (MCG) Index 2010, SunCity won the Industry Excellence Award under the property category. The award is aimed at ensuring best corporate governance practices amongst public listed companies (PLCs) by the Minority Shareholder Watchdog Group (MSWG). MSWG was set up as one of the government initiatives to protect the interests of minority shareholders and to promote market transparency.

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.





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PRECEDENCE TO

SunCity In The Limelight



Pioneering Spirit Visionar

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SunCity positive on sales of Australian project

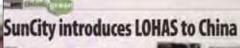
More landmarks for Sunway City Ipoh

Millionaireasia

Property investment unit to provide



Eyeing stronger overseas presence





Cadangan penggabungan Sunway Holdings, SunCity Pembentukan syarikat bana bahit uma niaga RM-1,5 bilion











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Cultivating and reinforcing the Sunway brand

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Group Corporate Structure



Property Development

Sunway South Quay Sdn Bhd

Sunway Damansara Sdn Bhd

Sunway D'Mont Kiara Sdn Bhd

Sunway Grand Sdn Bhd

Sunway City (Penang) Sdn Bhd

Sunway City (Ipoh) Sdn Bhd

Sunway Monterez Sdn Bhd

Sunway Melawati Sdn Bhd

Sunway Semenyih Sdn Bhd

Sunway Kinrara Sdn Bhd

Sunway Crest Sdn Bhd

Sunway City Properties Sdn Bhd

Sunway Bukit Gambier Sdn Bhd

Sunway Bintang Sdn Bhd (formerly known as Prime Delight Sdn Bhd)

Sunway City (JB) Sdn Bhd (formerly known as Asli Budimas Sdn Bhd)

Bintutara Sdn Bhd

Pena Enterprise Sdn Bhd

Sunway City India Private Limited

Sunway MAK International Private Limited *

Sunway SPK Homes Sdn Bhd **

Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. **

Tianjin Eco-City Sunway Property Development Co. Ltd. **

Sunway Opus International Private Limited **



Property Investment & Real Estate Investment Trust (REIT)

Sunway Real Estate Investment Trust *

Sunway REIT Management Sdn Bhd (Manager for Sunway Real Estate Investment Trust)

Sunway Platinum Success Sdn Bhd

Sunway Destiny Sdn Bhd (formerly known as Stellar Destiny Sdn Bhd)

Sunway Ambience Sdn Bhd (formerly known as Spring Ambience Sdn Bhd)

Sunway Symphony Sdn Bhd (formerly known as Worldclass Symphony Sdn Bhd)

Sunway Leisure Sdn Bhd (formerly known as Mega Capacity Sdn Bhd)

Sunway Parking Services Sdn Bhd

Sunway IFM Sdn Bhd

Sunway Monash-U Residence Sdn Bhd

Sunway Residence Sdn Bhd

Sunway PFM Sdn Bhd (formerly known as Menara Sunway Sdn Bhd)

Sunway Townhouse Sdn Bhd

Sunway Pinnacle Sdn Bhd (formerly known as Quest Affinity Sdn Bhd)

Sunway Top Magnitude Sdn Bhd

Motoe.

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

- Associate companie
- ** Jointly controlled entities

Hospitality

Sunway Hospitality Holdings Ltd Group

Sunway Resort Hotel Sdn Bhd

Sunway Hotel (Seberang Jaya) Sdn Bhd

Sunway Hotel (Penang) Sdn Bhd

Kinta Sunway Resort Sdn Bhd

Sunway Hotel Phnom Penh Ltd

Sunway Hotel Hanoi Liability Limited Company with One Member

Sunway Lost World Hotel Sdn Bhd (formerly known as Linear Plus Sdn Bhd)

Sunway Lagoon Sdn Bhd

Leisure

Sunway Lagoon Water Park Sdn Bhd

Sunway Lagoon Club Berhad

Sunway International Vacation Club Berhad

Sunway Healthy Lifestyle Sdn Bhd

Sunway Travel Sdn Bhd

Sunway Leisure Services Sdn Bhd

Pyramid Bowl Sdn Bhd *

Healthcare

Sunway Medical Centre Berhad

SunMed Clinics Sdn Bhd

SunMed@Home Sdn Bhd







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

Dato' Ngeow Voon Yean – Property Investment

Ho Hon Sang – Property Development, Malaysia

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

Datin Paduka Low Siew Moi Tan Siak Tee

Audit Committee

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim (Chairman) Datin Paduka Low Siew Moi Tan Siak Tee

Executive Committee Of The Board (Exco)

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, A0 (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)

Dato' Ngeow Voon Yean

Ho Hon Sang

Lim Swe Guan

Evan Cheah Yean Shin

Corporate Information

Nomination Committee

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim (Chairman) Datin Paduka Low Siew Moi Tan Siak Tee

Remuneration Committee

Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim (Chairman) Datin Paduka Low Siew Moi 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 Dato' Ngeow Voon Yean

Risk Management Committee

Ngian Siew Siong (Chairman)
Dato' Ngeow Voon Yean
Ho Hon Sang
Yuen Kam Wah
Lee Weng Keng
Tan Poh Chan

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

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

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

Website Address

www.sunwaycity.com

Investor Relations

Email: 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 in 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.







Dear Shareholders

I am heartened to say that 2010 was a very momentous year for the Group as we had achieved numerous significant milestones that propelled us to another dimension of growth. It was also another positive year for the Malaysian economy with Gross Domestic Product ("GDP") growth of 7.2%.

On this matter, the Group remained focus on its vision to move forward with its plans for further growth and expansion.

I am also elated to add that we had achieved our vision of becoming the first integrated real estate conglomerate in Malaysia as a result of the successful listing of Sunway Real Estate Investment Trust ("Sunway REIT"). This is in line with the Group's aim to be at the forefront of the property sector and distinguish itself from other industry players in the market. It is also a true testimony of the Group's ability to execute strategic corporate exercises to bring about even greater synergy.

Overall, the Group is confident that we will continue to grow from strength to strength as evidenced by our tenacious spirit to go beyond boundaries. More importantly, we remain guided by our underlying mission to create added value for all our stakeholders. With our focused approach and past record of delivering transformational business ideas, there is no question that our plans will come to fruition to benefit the Group.

First Integrated Real Estate Conglomerate

In the last financial year, the Group had achieved a breakthrough by becoming the first integrated real estate conglomerate in Malaysia when it successfully listed Sunway REIT on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010. This corporate exercise enabled the Group to unlock the value of its key assets. As a result of this listing, the Group has reduced its net gearing ratio from 0.53 times to 0.12 times of its shareholders' fund.

SunCity had injected 8 of its prime properties into Sunway REIT for RM3.729 billion worth of appraised asset value and raised approximately RM1.4 billion cash from the equity market.

Sunway REIT Management Sdn Bhd (a wholly-owned subsidiary of SunCity) is the manager for Sunway REIT. Proceeds from the REIT will facilitate SunCity's strategy of expanding its portfolio, both locally and internationally.

Sunway REIT is the largest REIT in Malaysia in terms of market capitalisation and asset value as at 31 December 2010 and was



Sunway REIT IPO listing ceremony

Chairman's Statement

included as the only REIT in the FTSE Bursa Malaysia Mid 70 index since 20 December 2010. It was awarded the Best REIT Deal of the Year in South East Asia by Alpha South East Asia and The Edge Malaysia also awarded the initial public offering ("IPO") of Sunway REIT as the 2010 Deal of the Year - Best IPO - Notable Mention.

The Group has utilised part of the proceeds to buy over a minority interest of 49% of Sunway Lagoon Sdn Bhd. Sunway Lagoon's business operations include the Sunway Lagoon and the Sunway South Quay property development project. With the increase in stake to 100%, SunCity will enjoy the full business performance of the Sunway Lagoon and development profits that Sunway South Quay is set to offer.

Outstanding Financial Performance

A notable achievement this year is the fact that we achieved sales of RM1.23 billion which exceeded our internal target of RM1 billion. From a financial perspective, the Group achieved a revenue of RM1.1 billion and profit after tax and minority interest ("PATMI") of RM542 million which represent a basic earnings per share ("EPS") of 115 sen. Excluding the non-core operational performance, SunCity has recorded a core PATMI of RM160 million which represented a core earnings per share of 34 sen.

Rewarding our Shareholders

Due to this positive financial performance and the strategy of unlocking value through the listing of Sunway REIT, the Directors were proud to declare a special/interim dividend of 31 sen per share for the financial year ended 31 December 2010 which was paid on 7 October 2010. This represents the strongest dividend payout in its history of listing.

Spearheading New Milestones in the Property Sector

During the year under review, the Group charted impressive achievements in both its Property Development and Property Investment divisions.

SunCity is well on track with its growing expertise in developing and managing integrated developments which is demonstrated by Sunway Velocity. It is strategically located within 3.8km from the highly prestigious and coveted Kuala Lumpur City Centre.

Spread over 22 acres of prime freehold land, Sunway Velocity is a vibrant integrated development with well-planned features that complement today's modern lifestyle. It will comprise retail shops; office suites; service apartments and an over 1 million square feet lifestyle shopping mall. The concept of Sunway Velocity was designed to allow residents to experience a contemporary lifestyle where everything is within reach at one destination.

Sunway Nexis is another integrated commercial development comprising 3-storey retail shops, 13-storey office suites and a 20-storey flexi office block. This development is sprawled over 5.83 acres of land and is a complete lifestyle centre encompassing leisure, entertainment, recreation and work facilities right at your doorstep.

For the Property Investment division, plans are well underway for The Pinnacle to add to the dynamic and successful Sunway Integrated Resort City landscape. It is a Grade A, 25-storey, 580,000 square feet (nett) office tower with a large floor plate of 25,000 square feet (nett) per floor.

Due to be completed by end 2013, The Pinnacle will be an iconic

landmark in the heart of the Sunway Integrated Resort City. It is designed to meet the expectations of both foreign and local multinational companies and large corporations. The Pinnacle stands out with its world class facilities, excellent connectivity and flexibility.

Another remarkable project, the Lost World Hotel of Tambun, which is the latest addition to the hospitality division has open its doors to public this May as part of the Group's effort to continuously boost tourism activities in Ipoh. With 127 hotel rooms and 27 service apartments, the Lost World Hotel will provide both local and international visitors to Sunway City Ipoh a truly integrated resort township experience.

Regionalisation and Expansion

We continue to place strong emphasis in expanding our presence overseas particularly in 2 of the world's fastest growing economies, namely China and India. SunCity has high hopes of extending its brand overseas.

One of the most significant corporate initiatives was when Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd ("SSTEC") selected SunCity as the only Malaysian developer together with other renowned Asian developers to participate in their 7,400 acres Sino-Singapore Tianjin Eco-City 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 in other parts of China.

SunCity had signed a collaboration agreement in April 2010 to participate in the Sino-Singapore Tianjin Eco-City project with SSTEC, the master developer. As a result of this joint venture, SunCity will develop 102 acres out of the 7,400 acres. The Group

is also focused on introducing the LOHAS philosophy into the 102 acres project, making it the first of its kind in China.

While we will continue to face challenges in the international market such as understanding the local culture, market requirements, regulatory standards and others, I believe we can replicate the successful business model that we have here in Malaysia.

Expanding our Local Presence

The Group firmly believes that it is important to expand its presence in Malaysia by making strategic land acquisitions particularly in Penang and Johor which hold great business potential.

Since 1992, the Group has been building quality properties in Penang and it was only a natural progression to acquire more land to fortify its position in the marketplace. The newly acquired land is 81 acres and will enable the Group to develop more attractive residential properties in a strategic location.

The land acquisition in Johor will also mark the Group's first foray into this promising state. The land is located within the Iskandar Malaysia development region and the Group intends to transfer its years of knowledge and experience in developing residential and commercial properties in this state.



Signing ceremony between SunCity and Sino-Singapore Tianjin Eco-City

Market Outlook

It is irrefutable that 2010 represented a positive turn of events as a result of the recovering economy. The Malaysian economy grew 4.8% in the fourth quarter of 2010 and this was attributed to higher private and public sector spending. For the whole of 2010, the Malaysian economy registered a growth of 7.2%, which was the highest ever achieved in a period of over 10 years.

Looking ahead, the Government is optimistic that Malaysia will achieve a GDP growth of 6% for 2011 and the Economic Transformation Programme ("ETP") will be a vital component. While the global economy will continue to be unpredictable, the Group remains confident that China and India will continue its growth momentum with its projected GDP growth of 9.6% and 8.4% for 2011 respectively.

It is important for us to develop deeper market insights of both these countries and its consumers if we wish to capture greater market share. I believe that the Group's competent and experienced international management team will be able to lead the way for us to solidify our status in the globalised environment.

A Reputable and Respected Top Property Conglomerate in Malaysia

SunCity is well-positioned in the market as an innovative, trusted and reputable property player. The Group has received numerous awards for its achievements in various categories due to its strong brand equity in Malaysia and increasing brand presence around the region.

The Group was awarded The Edge's Top Property Developer Awards and received the third placing for the 2008, 2009 and 2010 editions. The Group was honoured to be recognised as

Chairman's Statement

one of the Top 10 developers as this reflects the Group's focus in becoming an innovative and customer-centric leading master community developer.

At the prestigious International Real Estate Federation (FIABCI) Malaysia Property Awards, the Group became the jubilant developer to bag 2 coveted honours. Sunway City Ipoh received the esteemed best Master Plan Award; while Sunway Pyramid triumphed in the best Retail Development Category.

To date and in entirety, SunCity has garnered a total of six awards from the prominent worldwide network for professionals in the property industry, with Sunway Pyramid honoured for the second time.

Amongst the many entries, Sunway City Ipoh emerged as winner of the Master Plan Category for its successful and sustainable concept plan of building a township and housing estate development that catered to the healthy lifestyle of the community. On the other hand, Sunway Pyramid trumped all entries to become the Best Retail Development 2010 for the second time as a tribute to its RM550 million transformation into a 4-million sq ft shopping kingdom.

SunCity's excellent brand performance was further reaffirmed when it won the Putra Brand Award in the Property Development category award at the Putra Brand Awards 2011 for the second consecutive year.

Collectively, all these awards and accolades reflect the Group's strong positioning as a dynamic and integrated Malaysian property conglomerate which offers consumers and investors the 'Best of Both Worlds' – properties of exceptional quality from the property development division, as well as exciting destination properties for all. SunCity's townships of Sunway Integrated Resort City and Sunway City Ipoh are the hallmarks of its "Best of Both Worlds" proposition offering outstanding brand experience.

Leading towards Better Corporate Governance

SunCity was recognised for the very first time in the 2nd Malaysian Corporate Governance (MCG) Index 2010 by winning the Industry Excellence Award under the Property category. The award is in line with the objective of ensuring best corporate governance practices amongst public listed companies by the Minority Shareholder Watchdog Group ("MSWG"). MSWG was set up as a government initiative to be part of a broader capital market framework to protect the interest of minority shareholders.

SunCity had also emerged victorious in the National Annual Corporate Report Awards ("NACRA") Industry Excellence Awards in the Property, Hotels and Trusts category for the fourth consecutive year. NACRA gives recognition of excellence in annual corporate reporting as well as promotes more effective communication of financial and business information. NACRA is the collaborative effort of Bursa Malaysia Berhad, Malaysian Instutite of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA). Both the MCG Index and NACRA awards reflect the Group's commitment to excellence in corporate governance.



FIABCI Malaysia Master Plan Category for Sunway City Ipoh and Best Retail Development 2010 for Sunway Pyramid

A Responsible Developer

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

The Property Development division continued to solidify its position as an environmentally conscious developer by adhering to green building certifications. To date, there are 7 projects which have received the Singapore BCA Green Mark certifications, namely Sunway SPK 3 Harmoni, Sunway Vivaldi, Sunway Challis, Sunway Palazzio, Sunway Velocity, Sunway Rymba Hills and Nautica Lake Suites while Sunway SPK 3 Harmoni was also awarded the Green Building Index certification.

This is aligned with the Group's commitment to incorporate the 'Lifestyles of Health & Sustainability' ("LOHAS") philosophy in its developments. LOHAS encompasses 5 pillars which are sustainable living, environment, social justice, personal development as well as health and fitness. Collectively, they encourage families to lead a well-balanced and holistic lifestyle.

The Group takes great pride in being a green business organisation and this is reinforced by the achievement of obtaining the ISO 14001 certification which is an Environmental Management System. ISO 14001 adopts a systematic approach in identifying and controlling the environmental impact of an organisation's activities, products or services.

Achieving this certification is a testament to the Group's commitment as a developer which takes proactive measures to safeguard the environment. This demonstrates legal and regulatory compliance such as the Environmental Quality Act 1974. Additionally, it helps the Group gain competitive advantage over non-certified organisations.

Apart from this, I am pleased to mention that the Group has remained true to its commitment to be a responsible corporate citizen with the wide array of activities that were planned and implemented to assist the less privileged. I am a firm believer in contributing back to the society we operate in order to create a stable and harmonious community. We understand that the Group does not operate in isolation and that it is important to make positive contributions that will benefit the society.

An excellent example of the synergistic effort between the different Sunway Group entities working for the good of the community is a 360 metres long pedestrian walkway – the "Canopy Walk" at Sunway Integrated Resort City. The pedestrian walkway was constructed for the safety and convenience of Sunway University students, as it is fitted with close-circuit TV cameras along the walkway. The 6 minute "Canopy Walk" was opened to public in November 2010, linking Sunway University to Sunway Pyramid.

From the very beginning, we have inculcated a strong corporate responsibility culture in all of our employees. As a result, all the business units have also taken a pro-active approach in organising initiatives that will make a positive difference towards the community. Moving forward, we will continue our efforts to support needy causes that require our assistance.

A Bigger Sunway Ahead

In November 2010, Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) made an offer to acquire all assets and liabilities of SunCity in conjuction with a merger exercise with Sunway Holdings Berhad, another company listed in the Main Market of Bursa Malaysia. The aim was to unlock value for all shareholders through the creation of a streamlined platform for expansion of the property and construction businesses across Asia, the Middle East and the Caribbean as well as a realisation of synergies within the Group. With the enlarged company,

Sunway will be able to leverage on its branding, have better accessibility in the capital market and embark on larger projects within Asia.

In December 2010, CIMB Investment Bank and RHB Investment Bank announced on behalf of SunCity's Board that the non-interested Directors, after taking into consideration, amongst others, the advice from the Independent Adviser, have decided to accept the offer, subject to, *inter alia*, the approval of SunCity's shareholders and the approval of the relevant authorities, where required.

Appreciation

The Group's success would not have been possible without the collective efforts of all our loyal and dedicated management and staff. I am confident that they will continue to inject new and relevant ideas that will elevate the Group to even greater heights of success. We will certainly continue our strategy to promote effective interaction between all levels of staff to ensure that the Group's mission is clearly communicated. By doing so, I trust that we will be able to quickly identify promising opportunities in the marketplace in order to stay ahead.

On top of this, I wish to thank all our stakeholders; including our customers, business associates, bankers, government authorities and shareholders who have provided great assistance in facilitating our growth in all areas of our business. We certainly value the support and trust that you have placed in the Group.



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

Calendar Of Significant Events



2 January 2011 Give.Share.Love with Sunway Resort Hotel & Spa

Sunway Resort Hotel & Spa extended its heart out to almost 300 children of various homes by donating toys and books to them. The fund was raised together with the diners and patrons of Avanti Ristorante, Sun & Surf Cafe, West Lake Garden Chinese Restaurant, Atrium Cafe and The Lobby Lounge.



30 December 2010 S.O.S Campaign at Sunway Pyramid

In collaboration with HOPE Worldwide, Agape Services for the Blind and Pejabat Ahli Dewan Undangan Negeri Subang Jaya, Sunway Pyramid spread the Christmas festive spirit with a unique charity drive programme which collected over RM50,000 worth of cash and products, targeting 9 unfortunate families of various backgrounds comprising of the disabled, blind and poor.



9 December 2010 Launch of Sunway Showlight

Minister of Tourism, Dato' Sri Dr Ng Yen Yen switched on Sunway's year end show lights resulting in a "shower of gifts," raining down upon Sunway's "Toyland." This is the sixth year that the Sunway Integrated Resort City is going all out by putting up its iconic 2-kilometre long show lights to welcome the year-end tourists for the festive season.



5 December 2010 Peter Pan The Musical in conjunction with His Royal Highness Sultan Selangor's birthday celebration

About 2,500 underprivileged children from various welfare homes were treated to a London West End production of Peter Pan The Musical @ Sunway Lagoon in conjunction with His Royal Highness Sultan of Selangor, Sultan Sharafuddin Idris Shah's Birthday.



26 November 2010 Sunway Merger Press Conference

In a move to unlock value for all shareholders via cash and eventual stake in a Newco, Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) had made a combined cash, shares and warrants offer to acquire all assets and liabilities of SunCity and Sunway Holdings Berhad in November 2010.



1 October 2010 Sunway South Quay Launch

At the launch, Tan Sri Dr Jeffrey Cheah dedicated the South Quay Princess to its residents and welcomed the guests to the epicenter of Sunway City's "Lifestyles of Health and Sustainability" philosophy within its internationally renowned "Resort within the City" concept. Highlights of the evening included the illumination of the 77 footer, show of fireworks and performances by songbird Noryn Aziz.

Calendar Of Significant Events



24 September 2010 Arthur's Day at Sunway Lagoon

Arthur's Day, dedicated to founder, Arthur Guinness – was celebrated in Malaysia for the second time at Sunway Lagoon with much excitement and exhilaration as Flo Rida, Sean Kingston, Colby O'Donis, Thaitanium, Pop Shuvit, Mizz Nina, Melissa Indot and DJ Fuzz rocked the stage at the Surf Beach @ Sunway Lagoon. It was definitely a night to remember for the 8,000-strong crowd as they cheered on these eight talented artists who brought the house down with a night of electrifying performances.



20 September 2010 Malaysian Crime Prevention Foundation (MCPF) – Balik Kampung Safety Campaign

The immediate ex-Selangor Police Chief, Dato' Khalid Abu Bakar launched the "Balik Kampung Safety Campaign" and "Safe Shopping", along with Tan Sri Lee Lam Thye, Deputy Chairman, MCPF; and Tan Sri Dr Jeffrey Cheah, Chairman, MCPF Selangor Chapter at Sunway Pyramid in Bandar Sunway. The Foundation is aimed at enhancing effectiveness of crime prevention measures and promoting public awareness of crime prevention.



31 July 2010 MTV World Stage Live in Malaysia at Sunway Lagoon

For the second time at Sunway Lagoon Surf Beach, MTV World Stage was hosted again with more than 15,000 music fans, all of whom were eager to see local indie band Bunkface, international sensation Katy Perry, German band Tokio Hotel and the girls who made hit waves in the international arena with their No.1 hit Nobody - Wonder Girls perform for the networks' global live music series, MTV World Stage. The event was broadcasted on 44 different MTV channels in over 150 territories to an audience of over 600 million households.



8 July 2010 Sunway REIT IPO Listing

SunCity and Sunway REIT Management Sdn Bhd have successfully launched the initial public offering ("IPO") of 1.65 billion units in Sunway Real Estate Investment Trust ("Sunway REIT") which is the largest REIT in Malaysia in terms of market capitalisation and appraised asset value. Sunway REIT is also included in the FTSE Bursa Malaysia Mid 70 index.



15 June 2010 Sunway REIT Prospectus Launch

Sunway REIT launched its prospectus at Sunway Resort Hotel & Spa witnessed by Minister in the Prime Minister's Department, Tan Sri Nor Mohamed Yakcop and Sunway Group founder and chairman Tan Sri Dr Jeffrey Cheah. Sunway REIT had injected eight of its prime investment properties into Sunway REIT for RM3.7 billion worth of appraised asset value. The eight properties are divided into three industry segments (retail, hospitality and office) and four different strategic locations in Malaysia.



15 June 2010 Launch of Jeffrey Cheah School of Medicine & Health Sciences @ Monash University Sunway Campus

A time capsule was laid by Health Minister Dato' Sri Liow Tiong Lai, Tan Sri Dr Jeffrey Cheah and Monash University's Vice-Chancellor, Professor Edward Byrne to commemorate the naming of the school and commencement of Pharmacy at Monash University Sunway Campus. The capsule will be opened on the 10th anniversary of the event.



24 May 2010 Sunway raises funds for 2nd National Kidney Foundation (NKF) Lifecheck Unit

The Sunway Group, in collaboration with the National Kidney Foundation of Malaysia, successfully raised RM500,000 for a second unit of NKF LifeCheck Mobile Health Screening Unit which is needed to meet the accelerated rise of 20% in the number of kidney patients in need of care in Malaysia every year.

Awards And Accolades

Mar 2011 Putra Brand Award

Property Development Category – Bronze By Association of Accredited Advertising Agencies Malaysia (4As)



For the second consecutive year, SunCity won the notable award in the property development category. 6,000 consumers took part in a brand survey to nominate brands with outstanding performance.

Organised in association with the Malaysia's Most Valuable Brands (MMVB), the Putra Brand Awards is a brand valuation exercise to not only recognise public-listed companies but also local brands and SMEs that are near and dear to the hearts of Malaysians. While MMVB measures best brands by financial valuation, the Putra Brand Awards measures brands by consumer preference.

Jan 2011 Tan Sri Jeffrey Cheah Biggest Giver to Charity By Malaysia Book of Records



Tan Sri Jeffrey Cheah, was befittingly recognized by Malaysia Book of Records for Biggest Contribution to Charity at the Malaysia Book of Records Awards Night held at Sunway Resort Hotel & Spa.

This award is indeed a resounding manifestation of corporate responsibility by a genuine and accomplished corporate leader whose unflinching efforts in contributing and giving to society remains an inspiration to many.

Jan 2011 Sunway Group Corporate Nationhood Initiatives Award By New Straits Times Press



Sunway Group continues to garner national attention when it clinched the Corporate Nationhood Initiatives Award at the Malaysia's CEO of the Year Award 2010 with its Job Placement Programme.

Corporate Nationhood Initiatives Award seeks to promote national unity and nation building in the corporate agenda which is vital in driving the country's continued progress. It was introduced in 2009 by the New Straits Times Press and launched by the Prime Minister.

Jan 2011 Sunway City Berhad National Annual Corporate Report Award (NACRA)

Industry Excellence Award –
Properties, Hotels & Trusts
By Bursa Malaysia Berhad, Malaysian
Institute of Accountants (MIA) and
Malaysian Institute of Certified Public
Accountants (MICPA)

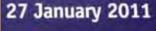
Jan 2011 Sunway Pyramid Brand Laureate SME's Chapter Awards 2010

Best Brands in Leisure - Shopping Mall By Asia Pacific Brands Foundation

Jan 2011 Sunway Lagoon Brand Laureate SME's Chapter Awards 2010

Best Brands in Leisure - Themepark

By Asia Pacific Brands Foundation





SunCity took home the Industry Excellence Awards under the Properties, Hotels & Trusts category for the fourth consecutive win this year.

Good corporate governance has always been central to SunCity's competitiveness in a global business landscape as the group believes that the emphasis on the highest standards of accountability, corporate governance and transparency will ensure smooth transitions through business cycles and it is these standards that will catalyse its future growth.



Sunway Pyramid recently took home the Best Brands in Leisure - Shopping Mall award at the glitzy Brand Laureate SME's Chapter Awards 2010. This award adds to Sunway Pyramid's collection of awards in 2010, making it an impressive total of eight awards within a one year span.

The five most important criteria of the 2010 awards include brand strategy, brand position, brand innovation, brand promise and brand culture.



Sunway Lagoon was accorded the Best Brand In Leisure – Theme Park under the Product Branding category. Each winner of The BrandLaureate – SMEs Chapter Awards was selected based on a 300-point selection criteria comprising brand strategy, brand culture, integrated brand communications, brand equity and brand performance.

Awards And Accolades

Dec 2010 SunCity Malaysian Corporate Governance (MCG) Index 2010

Industry Excellence Award - Property

By Minority Shareholders Watchdog Group



SunCity has triumphed for the very first time at the 2nd Malaysian Corporate Governance (MCG) Index 2010 taking home the Industry Excellence Award under the Property category.

The objectives of this MCG Index are to gauge the level of corporate governance of PLCs in Malaysia; to provide information on corporate governance so that gaps can be addressed and strengths can be highlighted, and to incentivize better corporate governance standards through recognition.

Dec 2010 Sunway Group Perdana Menteri Corporate Social Responsibility (PM's CSR) Award

Education
 ii. Best Overall CSR Programme
 By Ministry of Women, Family and Community

Dec 2010 Sunway Group Malaysia's 100 Leading Graduate Employers in 2010 By GTI Media



Sunway Group has been recognized for meritorious achievements in Corporate Responsibility, sweeping two leading awards, beating other heavyweight public listed companies.

Sunway took home accolades in the Education category which recognizes companies that have made serious efforts to improve the level of education and skills of their employees and/ or members of the community.In addition, Sunway was also awarded the Best Overall CSR Programme which recognizes the best company CSR programme amongst all the companies nominated and awarded across all categories for the year.



Ranked 22nd, Sunway Group is one of 2010 Malaysia's 100 Leading Graduate Employers, up 12 places from 34th in 2009. Sunway Group was also one of the four nominees in two sector awards - Leisure, Travel & Hospitality and Property & Development.

The Malaysia's 100 leading graduate employer awards, voted by students and graduates, recognises the industry leaders in the Malaysian graduate recruitment market.

Nov 2010 Sunway City Ipoh FIABCI Malaysia Property Award

Sunway City Ipoh – Master Plan Award By International Real Estate Federation (FIABCI)



At the prestigious FIABCI Malaysia Property Award, often dubbed the Oscars of the property industry, Sunway City Ipoh became the jubilant developer to bag the FIABCI award in the Master Plan Category.

Amongst the many entries, Sunway City lpoh emerged as winner for its successful and sustainable concept plan of building a township and housing estate development that catered to the healthy lifestyle of the community. This category was judged based on financial considerations, partnerships with authorities, implementation, environmental impact and benefits to the community.

Nov 2010 Sunway Pyramid FIABCI Malaysia Property Award

Sunway Pyramid – Retail Development Award By International Real Estate Federation (FIABCI)



Sunway Pyramid trumped all entries in the FIABCI Malaysia Property Award to become the Best Retail Development 2010 for the second time as a tribute to its RM550 million transformation into a 4-million sq ft shopping kingdom. Whilst the expansion had retained its iconic Egyptian-inspired design, the mall now houses 800 specialty outlets in five distinctive shopping precincts: Fashion Central, Oasis Boulevard, Asian Avenue, Marrakesh and Kidz Zone. This is the mall's 2nd FIABCI Malaysia Property Award after winning it the first time in 2000.

Nov 2010 Sunway Pyramid Most Supportive Shopping Mall Award By Malaysian Retailer-Chains Association (MRCA)



This is the 2nd time Sunway Pyramid has won the 'Most Supportive Shopping Mall' Award from MRCA.

Founded in 1992 by Dato' Eddie Choon, Executive Chairman of Poh Kong Jewellers Sdn Bhd, the Malaysian Retailer-Chains Association has more than 200 active members consisting of retail chain stores and operators, covering more than 6,500 outlets throughout Malaysia.

Oct 2010 The Banjaran Hotsprings Retreat Malaysia International Gourmet Festival 2010

- i. Most Creative Restaurant Station
- ii. Judge's Choice Most Creative Food
 Presentation
- iii. Best Festival Offers
- By Ministry of Tourism Malaysia



The Pomelo at The Banjaran Hotsprings
Retreat received three awards in the annual
Malaysia International Gourmet Festival (MIGF).
The Pomelo was named Winner of the "Most
Creative Restaurant Station" at the Gala
Launch in recognition for creative display of
the booths and food quality. It was also the
proud recipient of two Awards of Excellence;
"Judges' Choice Most Creative Food
Presentation" as well as "Best Festival Offers".

Awards And Accolades

Oct 2010 Sunway Pyramid Ice The Best of Malaysia Awards 2010 Best Indoor Fun – Excellence Award By Expatriate Lifestyle Magazine



The Best of Malaysia (BoM) 2010 takes an overview of the Malaysian hospitality industry and provide a 100 per cent people driven award system, the only one of its kind in the country.

Sunway Pyramid Ice is the proud winner of the 'Best Indoor Fun – Excellence Award' as voted by the general public. Mr Jason Chin, Director of Operations, Sunway Pyramid, received the award from Mr. Matt Bellotti, editor of Expatriate Lifestyle magazine.

Oct 2010 Sunway Pyramid Malaysia Mega Sales Carnival Award – Shopping Centre Awards By Ministry of Tourism Malaysia



Presented by Minister of Tourism Dato' Sri Dr Ng Yen Yen, Sunway Pyramid won both awards categorised under the Malaysia Mega Sales Carnival (MMSC) 2010 Shopping Centre Awards Suburban Category.

The mall's FABULOUSALE theme during the Mega Sale Carnival in July won 'Best Thematic Decoration' and 'Best Promotions & Events' for the second time. It had previously won the same awards at the Malaysia Year End Sale 2009.

Oct 2010 Sunway City Berhad The Edge Top Property Developer Awards By The Edge



Eighth year in the row and SunCity remains as the Top 10 Property Developer in Malaysia. Once again, SunCity retained its third placing for the third consecutive year. The award was given based on several quantitative and qualitative elements which includes financial performance, quality, value creation and innovation.

Oct 2010 Sunway Lagoon European Golden Pony Award By Games & Parks Industry magazine



Sunway Lagoon was bestowed the European Golden Pony Award – the leisure sector Oscars organised by Games & Parks Industry magazine at the Grand Hotel Ritz in Rome. Mr Aaron Soo, Chief Executive Officer (CEO) of Sunway Lagoon received the honour in Rome, Italy. Sunway Lagoon was recognised for its notable contribution to the developments of theme parks and attractions in Asia.

Sunway Lagoon is to date, the only Malaysian attraction to have been accorded this highly regarded industrial award.

Jul 2010 Sunway City Berhad Human Resources Achievement Silver Award 2010

By Malaysian Institute of Human Resource Management (MIHRM)



SunCity is a proud winner of the HR Achievement Silver Award 2010 as a recognition of its human resource development efforts.

The HR Achievement Award is evaluated based on the criterias which measures effectiveness of a company's human resource management in terms of best practices, development strategies and application of HR system.

organised by the prestigious International Association of Amusement Parks and Attractions (IAAPA).

Sunway Lagoon is the only Malaysian

Jul 2010 Sunway Lagoon Asia's Best Attraction Award

By International Association of Amusement Parks and Attractions (IAAPA)



Sunway Lagoon continues to break record when they scooped their fourth Asia's Best Attraction award at the Asian Attractions Expo 2010 held for their first time in Malaysia, organised by the prestigious International Association of Amusement Parks and Attractions (IAAPA).

Sunway Lagoon is the only Malaysian attraction nominated for the award this year, and is now the only attraction in the world to ever win the Asia's Best Attraction award for four years in a row!

May 2010 Sunway City Berhad Heritage Hall Inspirational Award By RAM Holdings Berhad



SunCity was awarded in recognition of its momentous RM450 million asset-backed securities ("ABS") issued by ABS Real Estate Berhad in 2002, lead-managed by Deutsche Bank (Malaysia) Berhad. This deal won for pioneering and bolstering the commercial mortgage-backed bond market in the country and effectively setting the benchmark. Its success not only paved the way for further integration between the property and debt markets, but has also made the commercial mortgage-backed bond market an appealing proposition for many corporations, inspiring many others to follow in its path.

Apr 2010 Sunway Group Brand Laureate Awards 2010

- i. Brand Personality
- ii. Brand Laureate Societe
- By Asia Pacific Brands Foundation



Adding to its growing list of accomplishments Sunway took home two more awards at the recent Brand Laureate Awards 2010.

Sunway Group Founder and Chairman, Tan Sri Dr Jeffrey Cheah was honoured with the Brand Laureate – Brand Personality Award, while the Sunway Group received the Brand Laureate Societe Award for its outstanding Philanthropy

Our Hallmark Of Green Awards

15 April 2011

Singapore's Building & Construction Authority (BCA) 1 Dec 2010 Green Mark Certification Award (Provisional) Sunway Rymba Hills Development Type: Forest Villas



Sunway Rymba Hills is a gated and guarded low density residential development on 19.72 acres of prime land in Sunway Damansara. Sunway Rymba Hills is the only residential development in Petaling Jaya with an exclusive 6.5-acre private forest park. This contributes approximately 33% of nature's green space to the overall development. This development comprises 60% of green spaces as each villa enjoys a magnificent view of the private and extensive foliage of the forest park. Selected units are designed with a sky garden where the roofs will have a garden that further complements the development's eco-friendly concept.

BCA Green Mark Certification Award (Provisional) Sunway Velocity **Development Type: Service Apartments**



Spread over 22 acres of prime freehold land, Sunway Velocity is a vibrant integrated development with well-planned features that complement today's modern lifestyle. It will comprise of retail shops; office suites; service apartments and an over 1 million square feet lifestyle shopping mall. The service apartments received the green mark certification due to its green features that include rainwater harvesting which is designed for water efficiency that contributes to better concrete usage. Additionally, approximately 2 acres of the total development will feature a lush central park.

26 Apr 2010

Green Building Index (GBI) Certification (Provisional) 29 Dec 2010

BCA Green Mark Gold Award (Provisional) Sunway SPK 3 Harmoni Development Type: Townhouse



Sunway SPK 3 Harmoni townhouse became Malaysia's first GBI-certified low-rise residential project. Built on 11.16 acres of freehold land, the proposed development comprises 180 units of 3-storey townhouses. Townhouses facing the central linear park enjoy a green open space of 40 – 70 feet wide; meandering walkways and lush park landscaping while the northern and southern-most rows face a linear garden of 20 – 40 feet wide. All the townhouses have North-South orientations while openings at the front and rear promote cross ventilation through indoor spaces, which reduces the dependence on mechanical cooling.

24 February 2010

BCA Green Mark Certification Award (Provisional)
Nautica Lake Suites
Development Type: Condominium



Nautica Lake Suites is a luxury condominium development comprising 249 units at Sunway South Quay, a lakeside metropolis. Its key energy saving features include natural ventilation for the carpark, corridor and staircases; air conditioning system of variable speed cooling, lighting with high frequency electronic ballast in common areas and variable voltage and frequency for the lifts. Additionally, its water saving features includes water efficient sanitary ware and taps. It also promotes indoor environment quality with a layout design that allows 80% of the living room and the kitchen to enjoy daylight and cross ventilation with the use of low volatile organic compound paint and floor varnish.

4 Jan 2010

BCA Green Mark Certification Award (Provisional)
Sunway Vivaldi
Development Type: Condominium



Sunway Vivaldi is a duplex home conceived to be the symbol of urban living built to exacting standards of sophistication. It features 228 units of duplex condos built over 7.7 acres of prime freehold land in the international enclave of Mont' Kiara. Conscious efforts have been made to promote water and energy efficiency, indoor air quality and environmental protection. Sunway Vivaldi also boasts a 2-acre central Eco Deck, which is a landscape visual delight of water features, green roof decks, pools and trellises. 80% of the open space at the Eco Deck will have a lush green setting to reduce the ambient temperature, setting a sustainable living environment in Sunway Vivaldi.

20 Aug 2009

BCA Green Mark Certification Award Sunway Challis Damansara Development Type: Townhouse



Sunway Challis Damansara is an exclusive garden townhouse and was the first landed residential development in Malaysia to be Green Mark certified by BCA. It is a well-planned & modern residential development developed on 5.34 acres leasehold land. The development comprises of 102 units of 1 1/2 storey townhouses. It is designed to be environmental-friendly as evidenced by its high green plot ratio, North-South orientation for maximum day-light and ventilation, insulated reinforced concrete flat roofs and compost bins for recycling landscape waste.

30 Mar 2009

BCA Green Mark Gold Award (Provisional) Sunway Palazzio Development Type: Condominium



Sunway Palazzio was the first high-rise development to receive the BCA Green Mark Gold Certification. Nestled in the heart of Sri Hartamas, Sunway Palazzio comprises 2 tower blocks that house a total of 160 units. Its green features include its high green plot ratio and a building design that reduces cooling load. It is also designed for water efficiency to reduce potable water consumption for landscape and irrigation. The development also incorporates construction practices and materials that are environmental-friendly and sustainable.





5 - Year Financial Higlights Segmental Performance 41 Chief Financial Officer's Review Value Added Statement Share Performance



5-Year Financial Highlights

Basic earnings per share (sen)

Jun 2006 ¹	48.36
Jun2007	35.19
Jun 2008	55.87
Dec 2009 ¹	114.46
Dec 2010	115.32

Net assets per share (RM)

Jun 2006 ¹	2.01
Jun2007	3.06
Jun 2008	3.58
Dec 2009 ¹	4.62
Dec 2010	5.53

Gross dividend per share (%)

Jun 2006 ¹	7.5
Jun2007	7.8
Jun 2008	8.0
Dec 2009 ¹	13.0
Dec 2010	31.0

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

	1.1.2010 to 31.12.2010	1.7.2008 to 31.12.2009	1.7.2007 to 30.6.2008	1.7.2006 to 30.6.2007	1.1.2005 to 30.6.2006
	RM'000	RM'000 (restated)	RM'000 (restated)	RM'000 (restated)	RM'000 (restated)
OPERATING RESULTS					, ,
Revenue	1,106,608	1,600,967	1,314,556	1,142,566	1,574,400
Profit before taxation	520,345	1,141,407	634,005	296,186	419,322
Taxation	(317,582)	275,527	175,685	69,104	81,874
Profit after taxation	837,927	865,880	458,320	227,082	337,448
Minority interest	(295,922)	(327,972)	(196,414)	(71,276)	(137,350)
Net profit after minority interest for the financial period/year	542,005	537,908	261,906	155,806	200,098
KEY BALANCE SHEET DATA					
Property, plant and equipment	583,639	890,904	384,891	1,188,050	951,169
Investment properties	666,825	3,207,367	429,469	1,334,370	611,388
Land held for property development	389,796	402,954	394,473	251,008	367,040
Investment in associates	920,699	27,648	15,533	12,420	12,993
Investment in jointly controlled entities	159,053	125,926	65,099	46,277	40,733
Amounts due from joint venture partners	33,831	67,588	67,588	-	-
Amounts due from jointly controlled entities	12,000	12,000	-	-	-
Other investments	10,936	16,895	-	-	-
Biological assets	461	532	763	437	-
Goodwill and deferred tax assets	228,253	45,210	36,166	31,958	41,965
Current assets	1,559,313	1,368,258	3,822,967	1,402,666	1,072,716
Total Assets	4,564,806	6,165,282	5,216,949	4,267,186	3,098,004
Current liabilities	950,559	1,339,434	1,287,540	1,086,358	788,872
Non-current borrowings	489,084	871,562	936,705	709,464	716,879
Other non-current liabilities	206,845	350,629	365,733	366,897	381,461
Deferred tax liabilities	63,690	435,020	249,113	151,421	21,849
Total Liabilities	1,710,178	2,996,645	2,839,091	2,314,140	1,909,061
TOTAL NET ASSETS	2,854,628	3,168,637	2,377,858	1,953,046	1,188,943
Minority interest	258,078	996,301	696,077	537,117	355,881
Shareholders' equity	2,596,550	2,172,336	1,681,781	1,415,930	833,062
FINANCIAL RATIOS					
Basic earnings per share (sen)	115.32	114.46	55.87	35.19	48.36
Net assets per share (RM)	5.53	4.62	3.58	3.06	2.01
Gross dividend per share (%)	31.00	13.00	8.00	7.80	7.50

Segmental Performance



Property Development

Revenue RM412 million Profit Before Tax RM131 million

2010	412
2009¹	543
Duefit Defeue Toy	
Profit Before Tax	
Profit Before Tax 2010	131



Property Investment & REIT

Revenue RM205 million Profit Before Tax RM134 million

Revenue	
2010	205
2009¹	410
Profit Before Tax	
2010	134
00001	



Hospitality

Revenue RM209 million Profit Before Tax RM236 million

Revenue 2010

2010 209 2009¹ 289

236

39

2010 2009¹



Leisure

Revenue RM142 million Profit Before Tax RM21 million

Revenue	
2010	142
2009¹	184

Profit Before Tax

2010 21 2009¹ 32



Healthcare

Revenue RM139 million

Loss Before Tax RM2 million

Revenue

2010 139 2009¹ 175

Loss Before Tax

2010	(2)
20091	(8)

The financial results have included the non-core operating performance such as assets revaluation gains; 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, net disposable gain, reversal of deferred taxation provided for investment properties in relation to disposal of the 8 REIT assets.

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

Chief Financial Officer's Review



2010 was indeed a rewarding and exciting year for SunCity. The Group has achieved a record profit after taxation and minority interest ("PATMI") that surpassed the half a billion ringgit mark, registering RM542 million for the 12-month financial year ended 31 December 2010 ("FYE2010").

The strong PATMI represents a remarkable growth of 51% as compared to the annualised PATMI of RM359 million in the 18-month financial period ended 31 December 2009 ("FPE2009"). The outstanding PATMI was achieved as a result of the Group's strong business performance and profit from unlocking value of its investment properties and hotels through the listing of the Sunway Real Estate Investment Trust ("Sunway REIT").

The reported PATMI included RM382 million non-core operating earnings, of which RM266 million was gain on disposal of the hotels and reversal of deferred tax provided for invesment properties sold to Sunway REIT. Another RM116 million was share of revaluation surplus recognised by Sunway REIT and other investment properties.

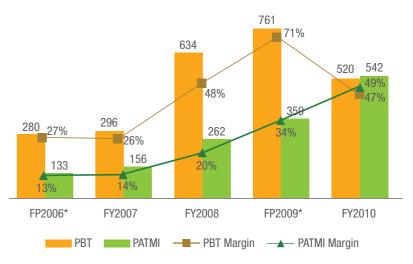
Core PATMI of RM160 million in FYE2010 was 7% higher than the annualised core PATMI of RM150 million in FPE2009. This growth is mainly contributed by stronger business performance from all divisions.

Group Financial Performance

	1.1.2010 1.7.2008 to 31.12.2009		Increase /	
	31.12.2010 RM million	Annualised RM million	18-month RM million	(Decrease)
Revenue	1,107	1,067	1,601	4%
Profit Before Tax ("PBT")	520	761	1,141	-32%
*Core PBT	273	286	429	-5%
PATMI	542	359	538	51%
*Core PATMI	160	150	225	7%
PBT Margin	47%	71%	71%	
*Core PBT Margin	25%	27%	27%	
PATMI Margin	49%	34%	34%	
*Core PATMI Margin	14%	14%	14%	

^{*} SunCity's core operational performance has been adjusted for assets revaluation gains; 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, net disposable gain, reversal of deferred taxation provided for investment properties in relation to disposal of the 8 REIT assets.

5-Year Profit and Margin Trend



All values are in RM million unless otherwise stated.

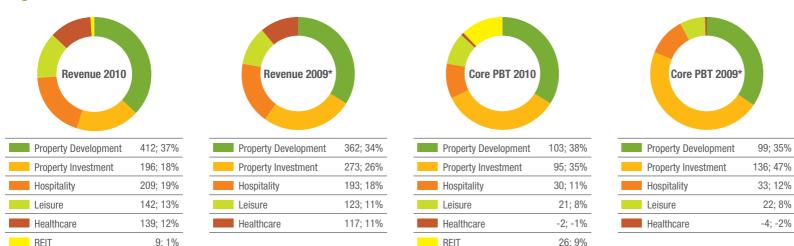
FP - Financial Period

FY - Financial Year

^{*}The financial performance for the financial periods 2006 and 2009 cover an annualised 18-month result.

Chief Financial Officer's Review

Segmental Performance Review



All values are in RM million unless otherwise stated. *The financial performance for the financial period 2009 cover an annualised 18-month result.

Property Development Division

The improved market sentiment and the launch of the Economic Transformation Programme (ETP) have helped to instill market confidence in the Malaysian economy. Property sales have improved since the dip in 2009 and SunCity managed to secure RM1.23 billion worth of sales which exceeded its sales target of RM1 billion by 23%. Additionally, the Group has achieved a record unbilled sales of RM1.1 billion. The continued profit recognition from the ongoing projects and new launches have contributed to the financial performance of the property development division.

Notwithstanding the above, the core PBT of RM103 million was marginally higher when compared to the annualised core PBT of RM99 million in FPE2009. This was mainly due to the effect from lower sales and unbilled sales achieved in 2009.

Property Investment and REIT Divisions

This year has been a remarkable year for the property investment division. The strategy of unlocking the investment properties' value was realised with the successful listing of Sunway REIT. The Group injected 5 of its prime investment properties namely Sunway Pyramid, Sunway Carnival Mall, SunCity Ipoh Hypermarket, Menara Sunway and Sunway Tower into Sunway REIT.

The core PBT of RM121 million from property investment and REIT was lower than the annualised core PBT of RM136 million in FPE2009. Despite better operational performance recorded in 2010, the decrease in PBT was mainly due to divestment of properties to Sunway REIT, which was partly compensated by the share of profits from Sunway REIT (a 36.6% associated company of the Group).

The Group has other investment properties, such as Sunway Giza Mall, Sunway University and Monash University Sunway Campus which will continue to generate a stable income stream for the property investment division. As part of the Group's expansion plans, the Group has also started to build new investment properties such as The Pinnacle (a 25-storey commercial office building next to Menara Sunway) to further enhance the future earnings capacity of the property investment division.

5-Year Dividend and Average Share Price Trend



	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 (restated)	1.1.2010 to 31.12.2010 RM'000
Basic earnings per share (sen)	32.24	35.19	55.87	76.31	115.32
Net asset per share (RM)	2.01	3.06	3.58	4.62	5.53

^{*}The financial performance for the financial periods 2006 and 2009 cover an annualised 18-month result.

Hospitality Division

3 hotels namely Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya were sold to Sunway REIT on 8 July 2010 and master lease agreements were entered into Sunway REIT. In this regard, the Group continues to manage the operations of the hotels while paying rental to Sunway REIT based on a percentage of its revenue/profits and the balance will be retained by the hotel operators.

Although the rental expenses increased its operating expenses, the strong occupancy rate and improved average room rate have contributed to the strong performance for this division. Despite the sales and lease back arrangement as mentioned above, the core PBT of RM30 million only represented a decrease of 9% from an annualised core PBT of RM33 million in FPE2009.

Leisure Division

The 2 biggest contributors in this division namely Sunway Lagoon and Lost World of Tambun have performed reasonably well in 2010. As a result, this division managed to maintain its core PBT at BM21 million.

Healthcare Division

The healthcare division has managed to improve its performance by reducing its losses in 2010 due to better cost management and higher revenue. The core loss before tax of RM3 million was lower than the annualised core loss before tax of RM4 million in FPE 2009. Moving forward, the management believes that with SunMed's brand name and reputation in the healthcare industry, the division's performance will improve.

Rewarding the Shareholders

SunCity is committed to deliver and create value for its shareholders by strengthening the earnings growth and rewarding its shareholders through the distribution of dividend. The annualised basic earnings per share grew from 76 sen in FPE2009 to 115 sen in FYE2010, representing a 5-year compounded average growth rate ("CAGR") of 38%. The net asset per share increased from RM4.62 in FPE2009 to RM5.53 in FYE2010 with a 5-year CAGR of 29%.

As a result, SunCity is pleased to reward its shareholders with the highest gross dividend ever declared since its listing, amounting to 31 sen per share. This has translated into a net dividend yield of 6.2%.

Chief Financial Officer's Review

Rewarding the Shareholders



	30.6.2006* RM'000 (restated)	30.6.2007 RM'000 (restated)	30.6.2008 RM'000 (restated)	31.12.2009* RM'000 (restated)	31.12.2010 RM'000
Total Borrowings	987	1,202	1,521	1,599	820
Cash and Bank Balances	372	526	549	438	513
Shareholders Fund	833	1,416	1,682	2,172	2,597

^{*}The financial performance for the financial periods 2006 and 2009 cover a 18-month result.

Unlocking values through the listing of Sunway REIT

With the successful listing of Sunway REIT, the Group has managed to reduce its net gearing ratio from 0.53 times to 0.12 times of its shareholders' fund. The low gearing ratio enhanced SunCity's financial capacity for its business expansion locally as well as overseas. Apart from this, it has managed to reduce the interest expenses of the group.

At PATMI level, the savings of interest expenses, the share of distributable profit from Sunway REIT and the REIT management fee were more than adequate to cover the losses of income from the 8 assets disposed of Sunway REIT.

Consolidating the earnings of Sunway Lagoon

Part of the REIT proceeds was used to acquire the balance 49% minority interest of Sunway Lagoon Sdn Bhd as the Group believes this will help to improve the Group's bottomline immediately with the same management effort. This acquisition is a better alternative as compared to buying over a new piece of land which requires a gestation period before it can contribute to the Group's earnings. Sunway Lagoon Sdn Bhd has business operations that include the Sunway Lagoon and property development projects such as Sunway South Quay!

By increasing SunCity's stake to 100%, SunCity will be able to enjoy the full business performance of Sunway Lagoon as well as higher share in the development profits from Sunway South Quay.

Sunway South Quay is a 123-acre lakeside integrated development located next to Bandar Sunway with a Gross Development Value ("GDV") of RM5.2 billion. It is 60% owned by Sunway Lagoon Sdn Bhd. It has launched a few projects that include Bayrocks Waterfront Villa, Nautica Lakeside Suites (enbloc sales to Korean), A'marine and LaCosta. It has RM4.2 billion GDV for future development.

¹ Total Property Value includes property, plant and equipment, investment properties and non-current assets classified as held for sales

Summary of Cash Flow Statement	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009* RM'000
Cash from operations	289,743	545,773
Taxation	(87,985)	(51,599)
Net cash flow from operating activities	201,758	494,174
Net cash flow from investing activities	2,033,493^	(422,328)
Net cash flow from financing activities	(2,151,472)^	(190,607)
Net increase/(decrease) in cash and cash equivalents	83,779	(118,761)
Closing balance	512,068	430,358

^{*}The financial performance for the FPE2009 cover a 18-month result.

Improved Credit Rating

The Group continued to demonstrate a strong financial performance and balance sheet position. This is substantiated by an upgrade of its credit ratings. In September 2009, the Rating Agency Malaysia reaffirmed SunCity's short term ratings at P2 and increased the long-term ratings to A1 for the RM500 million Murabahah Commercial Papers/Medium-Term Notes.

Improving Net Cash Flow

SunCity's cash position increased by 19% to RM512 million in FYE2010 as compared RM430 million in FPE2009. This was

mainly due to the proceeds generated from the disposal of the REIT assets totaling RM3,457 million.

Stronger Performance Ahead for a Bigger Sunway

On the back of strong unbilled sales as a result of strong take-up rate from its recent launches, the Group will continue to contribute positively to the enlarged Sunway Group, while the Sunway merger proposal is pending the approval from shareholders and relevant authorities.

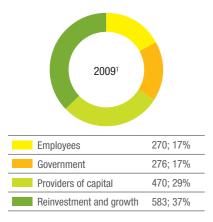
Tan Poh Chan Chief Financial Officer

[^]The cash flow has included sale proceeds from disposal of REIT assets totaling RM3,457 million, redemption of borrowing on REIT assets, payment of dividends to minority shareholders.

Value Added Statement

Value Distributed

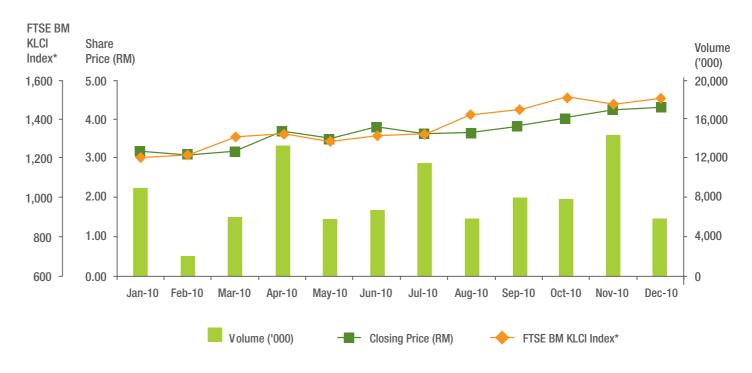




¹The financial performance for the financial period 2009 covers an 18-month period.

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000 (restated)
Value Added		
Total turnover	1,106,608	1,600,967
Purchases of goods and services	(539,571)	(793,075)
Value Added by the Group	567,037	807,892
Share of profits of associates	97,563	8,094
Share of profits of jointly controlled entities	32,150	49,660
Gain on revaluation of investment properties	127,015	733,449
Total Value Added	823,765	1,599,095
Reconciliation:		
Profit for the year	E42 00E	527 000
Add: Depreciation and amortisation	542,005 31,754	537,908
Finance costs	65,345	82,514 104,780
Staff costs	206,321	270,394
Taxation		
Minority interest	(317,582) 295,922	275,527 327,972
Total Value Added	823,765	1,599,095
		, ,
VALUE DISTRIBUTED		
Employees Coloring and other staff costs	000 004	070.004
Salaries and other staff costs	206,321	270,394
Government	(047 500)	075 507
Corporate taxation	(317,582)	275,527
Providers of capital	4.000	07.400
Dividends	45,820	37,189
Finance costs	65,345	104,780
Minority interest	295,922	327,972
Reinvestment and growth		
Depreciation and amortisation	31,754	82,514
Income retained by the Group Total Distributed	496,185 823,765	500,719 1,599,095

Share Performance



	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	0ct-10	Nov-10	Dec-10
Closing Price (RM)	3.23	3.21	3.29	3.81	3.74	3.87	3.65	3.75	3.88	4.01	4.24	4.45
Volume ('000)	9,157	2,497	6,245	13,336	5,957	7,127	10,872	5,904	7,742	7,680	14,482	5,814
FTSE BM KLCI Index*	1,259	1,271	1,321	1,346	1,285	1,314	1,361	1,422	1,464	1,506	1,485	1,519

^{*}FTSE Bursa Malaysia KLCI Index





Profile Of Board Of Directors



Aged 65, is the Founder and Executive Chairman of Sunway Group.

A business graduate of the Victoria University in Melbourne, Australia, began his career as an accountant at a motor assembly plant in Malaysia. In 1974, founded and started the Sunway Group.

Has been conferred 8 honorary doctorates by leading universities worldwide. In 2007, formed his namesake foundation, "Jeffrey Cheah Foundation" and in 2009, transferred the entire ownership of Sunway Education Group Sdn Bhd together with its subsidiaries to HSBC (Malaysia) Trustee Berhad, which holds in trust for the Jeffrey Cheah Foundation. Sunway Education Group Sdn Bhd comprises, inter alia, Sunway University, Monash University Sunway Campus, Jeffrey Cheah School of Medicine and Health Sciences and Sunway International School. Jeffrey Cheah Foundation, to which he pledged a personal contribution of RM20 million, was officially launched by Dato' Sri Mohd Najib Bin Tun Abdul Razak, the Prime Minister of Malaysia on 18 March 2010 in the presence of the Foundation's Patron, His Royal Highness Sultan of Selangor.

Is among Malaysia's leading givers who made Forbes Asia's Heroes of Philanthropy list 2009. Is also the Founding Trustee to the Board of Mahathir Science Award Foundation and Razak School of Government.

In 2008, was appointed Officer of the Order of Australia ("AO") by the then Prime Minister of Australia, Kevin Rudd. AO is one of Australia's most prestigious and highly regarded awards conferred to a noncitizen of Australia. In the same year, was appointed Chairman of the Malaysia Crime Prevention Foundation's Selangor Chapter by the Minister of Unity, Culture, Arts and Heritage. Is also the Chairman and Co-Founder of Asian Strategy & Leadership Institute.

Other achievements are listed below:-

2007 - the prestigious Monash University School of Medicine and

- Health Sciences was named after Tan Sri Jeffrey Cheah in appreciation of his immense contribution to Monash University Sunway Campus and Malaysia-Australia bilateral ties.
- 2006 His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University.
- 2002 Deputy President of National Kidney Foundation of Malaysia.
 - First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.
- 1999 Founding Trustee of Malaysian Liver Foundation.
- 1997 President of Malaysian Hakka Association (until 2004).
 - Council Member of Financial Reporting Foundation.
- 1996 Appointed by the Minister of Education to the Higher Education Council of Malaysia.
 - Appointed Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing.
 - EXCO member of Malaysian Tourism Action Council.
- 1990 Appointed Director of National Productivity Centre.

Other awards bestowed upon him include Property Man of the Year (Malaysia) in 1993, CEO of the Year (Malaysia) in 1996, Paul Harris Fellow Award in 2002 and Asia's Most Innovative Chinese Entrepreneur Award in 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 Committees as well as a Member of the Remuneration Committee.

Current directorships in other public companies include Sunway Holdings Berhad, Sunway Medical Centre Berhad, ASLI Foundation, Jeffrey Cheah Foundation, Mahathir Science Award Foundation and Razak School of Government.

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



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

Aged 72, completed his early secondary education in Australia. Studied banking where he became a Member of the Australian Institute of Bankers. Upon his return to Malaysia, joined Standard Chartered Bank Malaysia Berhad in 1964 and in his 34 years of banking experience, 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, ASLI Foundation, Jeffrey Cheah Foundation, SILK Holdings Berhad, Ranhill Berhad, Multi-Purpose Holdings Berhad, Berjaya Land Berhad, MAA Holdings Berhad, Malaysian Assurance Alliance Berhad and MAA Takaful Berhad.

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



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

Aged 59 and attained a Bachelor of Science Degree (Honours) in Civil Engineering from University of Leeds, United Kingdom in 1976 with 30 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 year.

Profile Of Board Of Directors



Dato' Ngeow Voon Yean
Managing Director - Property Investment,
Non-Independent Executive Director
Malaysian

Aged 58 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 an Honorary Advisor to the Malaysian Association for Shopping and Highrise Complex Management.

Has 30 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 7 out of the 8 Board Meetings held in the financial year.



Ho Hon Sang
Managing Director Property Development, Malaysia
Non-Independent Executive Director
Malaysian

Aged 50 and holds a Bachelor of Engineering (Honours) from University of Malaya, Malaysia with over 15 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 of Malaysia since 1989.

Appointed to the Board of SunCity on 19 March 2010 and also serves as a Member of the Executive Committee of the Board and Risk Management Committee.

Has no directorships in other public companies.

Attended 6 Board Meetings held in the financial year since his appointment.



Lim Swe Guan Non-Independent Non-Executive Director Singaporean

Aged 57 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.

Was a Director of Jones Lang Wootton Australia from 1989 to 1995 and a Portfolio Manager, Property Division in Suncorp Investment Management in year 1995. Joined GIC Real Estate Pte Ltd in 1997 and was the Managing Director of GIC Real Estate Pte Ltd, the real estate investment arm of Government of Singapore Investment Corporation Pte Ltd before retiring on 18 February 2011. Also a Chartered Financial Analyst ("CFA") and a Member of the CFA Institute. Among his achievements were the gold medals won from Singapore Institute of Valuers and Singapore Institute of Surveyors.

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 7 out of the 8 Board Meetings held in the financial year.



Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim Senior Independent Non-Executive Director Malaysian

Aged 75, 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 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, Sapura Technology Berhad, Phillip Mutual Berhad and Universal Trustee (Malaysia) Berhad.

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

Profile Of Board Of Directors



Datin Paduka Low Siew Moi Independent Non-Executive Director Malaysian

Aged 61 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 and also serves as a Member of the Audit, Nomination and Remuneration Committees.

Has no directorships in other public companies.

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



Tan Siak Tee Independent Non-Executive Director Malaysian

Aged 70 and holds a Bachelor of Commerce Degree from University of New South Wales, Australia. An Associate Member of 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 was 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.

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

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 Berhad. He has deemed interest in SunwayMas Sdn Bhd and its subsidiaries via Sunway Holdings Berhad, 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.

(c) 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.



From left to right

Sarena Cheah Yean Tih

Director of Strategic & Corporate Development Sunway City Berhad

Dato' Ngeow Voon Yean

Managing Director - Property Investment Sunway City Berhad

Ho Hon Sang

Managing Director -Property Development, Malaysia Sunway City Berhad

Ngian Siew Siong

Managing Director -Property Development, International Sunway City Berhad

Tan Poh Chan

Chief Financial Officer Sunway City Berhad From left to right

Chan Hoi Choy

Chief Executive Officer Retail Division

Hanley Chew

Chief Executive Officer Sunway International Hotels & Resorts

Aaron Soo

Chief Executive Officer Sunway Lagoon

Ong Pang Yen

Chief Operating Officer -Property Development, International Sunway City Berhad

Ong Ghee Bin

Chief Operating Officer -Property Development, Malaysia Sunway City Berhad

Dr Chong Su-Lin

Chief Executive Officer Sunway Medical Centre

Cheah Wing Choong

Chief Operating Officer -Property Investment Division Sunway City Berhad



Profile Of Management Team

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. She has more than 26 years of financial management experience. 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 in 1996 on the Main Market of Bursa Malaysia (formerly known as Main Board of Kuala Lumpur Stock Exchange). In 1999, she was transferred and promoted as General Manager - Finance of Sunway Construction Berhad which was taken private 5 years later.

She was the Chief Financial Officer of the construction division of Sunway Holdings Berhad since 2007 until she was appointed as the Chief Financial Officer of SunCity with effect from 1 April 2008. She is a member of the Malaysian Institute of Accountants.

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 assetbacked 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.

Property Development Division

Ong Pang Yen

Chief Operating Officer - Property Development, International 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, China, India and Australia. A qualified professional engineer, Mr Ong also has a Law Degree from University of London.

Ong Ghee Bin

Chief Operating Officer - Property Development, Malaysia 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, Sunway Pyramid, Sunway South Quay, Monash University Sunway Campus and Sunway Pyramid Expansion. He is currently overseeing all the property development projects in Malaysia.

Profile Of Management Team

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 Surveryor

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.

Property Investment

Chan Hoi Choy

Chief Executive Officer
Retail Division
Bachelor of Science (Honours) in
Managerial and Administrative Studies,
University of Aston, Birmingham, United Kingdom

Mr Chan Hoi Choy has 28 years of experience in management and development of shopping centres. He has extensive working experience and held several senior positions in general management, operations and marketing management of shopping centers including Sungei Wang Plaza, Berjaya Times Square and Sunway Pyramid.

He is currently the Chief Executive Officer of Retail Division namely Sunway Pyramid, Sunway Carnival Mall, Sunway Giza Mall & Sunway Velocity. He has also served faithfully as the Honorary Secretary and Vice President of Malaysian Association for Shopping & Highrise Complex Management ("PPK") for the past 21 years. He is the current President of PPK.

Leisure

Aaron Soo

Chief Executive Officer Sunway Lagoon Masters of Business Administration (MBA) University of Bath, United Kingdom

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





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 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 Jaya 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. She was a leader for the Health National Key Economic Areas (NKEA) 'lab' held in 2010 under the government's national Economic Transformation Programme (ETP) and is currently a NKEA Industry Advisor to the Minister of Health Malaysia.







Key Business Segment

Property Development 66
Property Investment & REIT 76
Hospitality 80
Leisure 84
Healthcare 88

Property Development





Turnover
Profit Before Tax
Launches
Sales

RM412 million RM131 million RM1.7 billion RM1.2 billion

Introduction

SunCity has once again remained true to its commitment of being a leading community master developer, both on the local and international front. 2010 was indeed a year filled with significant milestones and demonstrates the Group's focus in developing a wide range of properties that are at the forefront of the property sector.

The Group continued to place emphasis on the 'Lifestyles of Health & Sustainability' ("LOHAS") philosophy in its developments to enhance the quality of life for customers. This philosophy is anchored by the five pillars, namely health & fitness, the environment, sustainable living, personal development and social justice.

In today's fast-moving and contemporary society, families are becoming increasingly aware of the need to lead a healthier and well-balanced lifestyle. As such, the Group intends to meet the needs of this discerning group of homebuyers by developing properties that meet their high expectations. To date, this strategy has yielded positive results for the Group as homebuyers are embracing the innovative and quality features offered. In the long-term, this will result in a positive investment for them with high capital appreciation.

As at 1 May 2011, SunCity has an undeveloped landbank of 1,872 acres with an estimated gross development value of RM20 billion. In future, the Group will continue to explore opportunities of further land bank acquisitions to boost its presence as a property developer.

Property Development

International

Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd ("SSTEC") had selected SunCity to participate in their 7,400 acres Sino-Singapore Tianjin Eco-City project in China. SunCity had signed a Collaboration Agreement in April 2010 to participate in the Sino-Singapore Tianjin Eco-City with SSTEC, the master developer. As a result of this joint venture, SunCity will develop near to 100 acres out of the 7,400 acres.

This 102 acres project will have a gross development value of RM5 billion and is expected to be developed over a period of five years. The LOHAS philosophy will also be introduced into SunCity's 102 acres development. SunCity also aims to achieve a rating of Sino-Singapore Tianjin Eco-City's Green Building Evaluation Standards (GBES) Gold Award for this development.

SunCity is the only Malaysian developer amongst other leading international property players from Taiwan (Farglory Group), Japan

(Mitsui Fudosan), Singapore (Keppel Land), Hong Kong (Shimao), China (Vanke and Vantone) and Philippines (Ayala) to be part of the 7,400 acres Sino-Singapore Tianjin Eco-City.

SunCity was selected based on its expertise in developing environmental-friendly townships, which is reflected in the Sunway Integrated Resort City and for being a pioneer in green building designs such as Sunway Challis and Sunway Palazzio which have received the Singapore's Building and Construction Authority ("BCA") Green Mark Award of Singapore.

Sino-Singapore Tianjin Eco-City is a Government-to-Government eco-friendly and green development project between China and Singapore. Sino-Singapore Tianjin Eco-City will be a modern township for approximately 350,000 residents. Sino-Singapore Tianjin Eco-City is envisioned to create a harmonious and sustainable community that meets the needs of an urbanising China and will be a modern township where residents can live, work and play.





On the other hand, SunCity successfully launched its maiden project in China in 2010, Sunway Guanghao Yi Fang Cheng in Jiangyin, which received overwhelming response. The project comprises 1,171 units of residential apartments with a gross development value estimated at RM450 million. It achieved good sales take-up and is expected to be fully completed by 2012. Sunway Guanghao Yi Fang Cheng is located within the central business district of the Jiangyin New Harbour City.

In India, SunCity has embarked on a partnership with Opus Developers & Builders Private Limited to develop Sunway Opus Grand an exclusive 35-acre development set amidst a lush landscape in the suburb of Ameenpur, Hyderabad. Opus is a leading consortium of builders and property developers in Hyderabad that include Doyen Constructions, Shilpa Homes and Lotus Properties. With a collective experience of over 100 years, they bring with them a world of expertise. Sunway Opus Grand will consist of 5 phases. The Group is currently embarking on developing Sunway Opus Grand Neville – Premium Flexi Villas. It is expected to be completed by 2013.

SunCity had also embarked on a joint venture development in Hyderabad, India with MAK Projects Private Limited (MAK). This project will consist of apartment units and row houses. It is strategically located in the growing southern corridor of Hyderabad, India. The gross development value is approximately RM170 million.

Property Development



Sunway Merica 3-storey semi-detached homes, allowing families to relive the intimate lifestyle of old Penang

Malaysia

In Malaysia, SunCity fortified its reach and presence in Penang with the launch of Sunway Aspera, a development that comprises 76 units of 2-storey and 9 units of 3-storey terrace homes in a relaxing seaside environment in Sungai Batu, Penang.

These terrace homes are uniquely designed where life's best is experienced to its fullest in both an indoor and outdoor environment. Ideally nestled near the sea, these modern homes boast a built-up that is fitted with separate wet and dry kitchens; a spacious master bedroom with a dedicated walk-in wardrobe and a private bay window. Such meticulous design details make these terrace homes all the more endearing and ideal to call home.

Sunway Merica is a development that allows families to enjoy the comforts of a modern and contemporary lifestyle while retaining the essence of the charm and warmth of old Penang. Currently

under construction, the project is a freehold landed development comprising 86 units of 3-storey terrace houses ideally nestled away from the hustle and bustle of Penang city life.

Under Sunway Merica, Sunway City (Penang) Sdn Bhd also launched 3-storey semi-detached homes in Sungai Ara. These exclusive 3-storey semi-detached homes were designed with a modern minimalist approach while maintaining the functional and conventional practicalities of a home. From wide windows, private balconies to a spacious garden area, there is a cosy corner for everyone in the family. The gross floor area is 3,972 square feet.

Another development in Penang is Sunway Perdana which was launched in Aug 2010 and is located in Seberang Jaya. It has a total gross development value of RM68 million with a land area of 6.84 acres. It comprises 3-storey shop offices and all units are fronting Jalan Todak 4 or Lebuh Tenggiri. It enjoys good

accessibility and is only 10 minutes to the Penang bridge. It is located within an established township with ready amenities such as the Sunway Carnival Mall, Sunway Hotel Seberang Jaya, financial institutions and many others.

In Ipoh, SunCity continues its successful track record in building townhouses with the launch of MontBleu Residence, its first townhouse development in Ipoh. Leveraging on the expertise of the Group, MontBleu Residence comprises 220 units of well-planned and modern 3-storey townhouses that is surrounded by lush greenery with a 25-feet wide backyard garden. This is also aligned with SunCity's LOHAS concept which promotes green and sustainable developments for a better quality of life.

The development spans over 11.01 acres with standard intermediate built-up from 1,889 - 2,066 square feet Each of the unit comes with 3+1 bedrooms and 4 bathrooms. The gross development value of the project is RM93 million.



MontBleu Residence, SunCity's first townhouse development in Ipoh

The development is expected to be completed in September 2013 MontBleu Residence is another gated and guarded community in Sunway City Ipoh for added security to provide residents with a peace of mind.

Sunway Damansara Sdn Bhd, a subsidiary of SunCity has once again tapped on its expertise to build Sunway Rymba Hills, a gated and guarded low density residential development on 19.72 acres of prime land in Sunway Damansara.

Sunway Rymba Hills is the only residential development in Petaling Jaya with an exclusive 6.5-acre private forest park. This contributes approximately 33% of nature's green space to the overall development. Sunway Rymba Hills is designed according to the LOHAS philosophy and to meet the needs of discerning homebuyers who desire the luxury and comfort of modern living but set in a natural surrounding.

This development comprises 60% of green spaces as each villa enjoys a magnificent view of the private and extensive foliage of the forest park. The landscape is also designed to integrate nature and architecture in a harmonious manner to enhance the beauty of the land.

Sunway Rymba Hills is a joint venture project between SunCity and Perbadanan Kemajuan Negeri Selangor and comprises 80-units of 3-storey forest villas. With only 4-units per acre, residents will also be able to enjoy lots of personal space.

With an approximate gross development value of RM300 million, the project consists four different designs with built up areas ranging from 4,259 square feet to 4,650 square feet. Strategically located within the affluent neighbourhood of Sunway Damansara, the development is conveniently accessible via various highways and is within close proximity to various amenities and conveniences.

Selected units are designed with a sky garden where the roofs will have a garden that further complements the development's eco-friendly concept. This is further complemented by natural trails, meditation stations, lawns, herb garden and sculptured pathways for a healthy lifestyle. The development also features a fully equipped clubhouse with a gym, infinity swimming pool, reading room, meditation area and a jogging track. The clubhouse also utilises photovoltaic cell technology which promotes energy savings.

Another highlight of the year was when the Chairman of Sunway Group, Tan Sri Jeffrey Cheah, officiated the South Quay Princess, a luxury 77-feet yacht which is currently docked at the exclusive Sunway South Quay lake in Bandar Sunway. The yacht symbolises the epitome of lakeside living and will be the first of its kind to be made available to the residents of the development for their use.

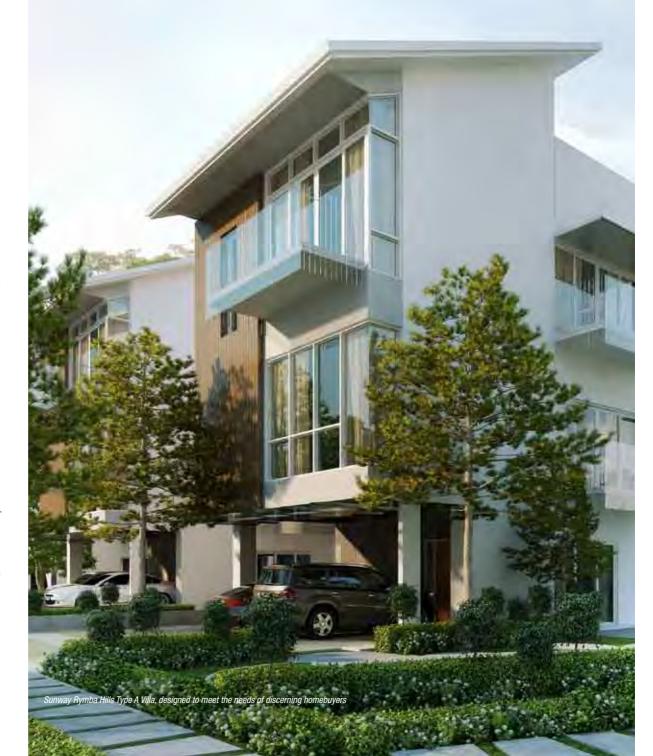
Property Development

The main attraction of the evening was the illumination of the South Quay Princess and show of fireworks, culminating in a performance by songbird Noryn Aziz, serenading the guests with jazz numbers. Guests were also treated to an exclusive showcase by watchmaker Jaeger LeCoultre and bespoke jeweller Doris Vinci.

Located in a serene surrounding, Sunway South Quay prides itself as a lakeside metropolis, representing the ultimate essence and vision of resort living located within the award winning Sunway Integrated Resort City. This lakeside residential enclave with its "Blue, the New Green" concept allows its residents to experience a refreshing avant-garde tropical concept that couples the soothing properties of water and lush greenery as luxury elements in city living.

In the effort of meeting the needs of its residents, Sunway South Quay offers a paradise of its own, facilitated by a lakeside promenade, alfresco dining, designer cafés, international themed restaurants, boutique retail outlets as well as business suites. The 1.3 km long lakeside promenade allows residents to carry out healthy recreational activities. The South Quay Princess will be made available for rental to the residents for private functions.

Sunway South Quay is deemed a coveted locale as it is surrounded by a mature township - the most holistic master-planned development in Malaysia. There are also other amenities and facilities such as hotel and resort, commercial and shopping centre, a multi-park attraction, health care, education as well as sports centre inclusive of the nearby golf courses located within the Sunway Integrated Resort City for its residents' convenience.



SunCity also organised a public viewing of A'marine, a luxury lakeside condominium in Sunway South Quay, located within the Sunway Integrated Resort City and was themed 'A Night of Carnival Excitement'. A'marine has a gross development value of RM200 million and comprises 242 units. Sizes of units will range from 1,306 square feet to 2,836 square feet. A'marine allows homebuyers to experience a lakeside metropolis lifestyle in Sunway South Quay

Following A'Marine, LaCosta condominiums was launched in Sunway South Quay. With only four exclusive units per floor, LaCosta is the perfect offer for those who desire seeking all the pleasures of a lifestyle paradise with a luxurious sky-garden and a 5.8-acre lush landscape podium.

Another highlight was the launch of Sunway Nexis, a vibrant commercial development comprising a 20-storey flexi office block, 3-storey retail shops and 13-storey office suites. This development sprawls over 5.83 acres of thriving land.

Sunway Nexis is a complete lifestyle centre encompassing leisure, entertainment, recreational and work right at your doorstep of this thriving neighbourhood. Following the success of Sunway Giza Mall, this innovative development offers modern retail shops, office suites and flexi office with a promising potential for good returns and future growth.

These office blocks boast a covered and linked central boulevard complemented by internal landscaping. The shops at the top floor overlook the LOHAS (green) Deck where occupants and visitors can enjoy a view of the Seri Selangor Golf Club and an unobstructed scenic sight of the Kota Damansara forest reserve.

The next highlight was the launch of Sunway Velocity which is strategically located within 3.8km from the highly prestigious

and coveted Kuala Lumpur City Centre address, Sunway Velocity is set to breathe a whole new life and transform the city skyline. The roads bordering this unique development are Jalan Cheras, Jalan Peel and Jalan Shelley.

Spread over 22 acres of prime freehold land, Sunway Velocity is a vibrant integrated development with well-planned features that complement today's modern lifestyle. It will comprise of retail shops; office suites; service apartments and an over 1 million square feet lifestyle shopping mall.

The first launch for Sunway Velocity was Phase 1A, consisting of 112 units of office suites with 2 levels of retail shops on the ground floor and environmental deck as well as 264 units of service apartments with 1 level of retail shops on the environmental deck.

The concept of Sunway Velocity was designed to allow residents to experience a completely modern and contemporary lifestyle where everything is within reach in one destination. The unique selling points of this self-contained integrated mixed development include inter-connectivity through the environmental deck; excellent accessibility and great connectivity from major roads and highways.

Additionally, approximately 2 acres or 10% of the total development land area will feature the lush central park. Sunway Velocity Phase 1A Service Apartments also achieved another significant milestone when it received the BCA Green Mark Certification Award (Provisional).

Strategic Land Acquisitions

The Group continues to stay focused on its goal to boost its land bank in Malaysia by entering key states such as Penang

and Johor. In Penang, the Group has acquired 81 acres of freehold land venturing into the vibrant South-West of Penang Island and surrounded by other matured townships. It is also near to the new Penang Second Link Bridge which is currently under construction and is easily accessible via Jalan Dato Ismail Hashim.

The proposed residential development for this new acquisition will consist of semi-detached houses, bungalows, condominiums and super condominiums which will increase SunCity's presence in the Penang property market with estimated gross development value of RM800 million. This land acquisition is aligned with the Group's strategy to expand its presence further in Penang which enjoys strong economic growth. With this acquisition the Group's land bank will increase to 118 acres with a gross development value of RM1.1 billion.

In its quest for expansion, SunCity has determined Johor as one of its key states due to Johor's huge population and high economic growth. SunCity aims to replicate its success in the Johor market by consolidating its years of experience and expertise in building quality residential and commercial properties. The Group has acquired its first Johor land with approximate 65 acres freehold land located located within Iskandar Malaysia development region. It is surrounded by other matured townships like Taman Molek, Redang Villa, Taman Redang and Taman Johor Jaya.

The Land is easily accessible through Tebrau and Kota Tinggi Highway as well as other local main access roads such as Jalan Molek and Jalan Harmoni Utama. The proposed residential development has an estimated gross development value of RM932 million and is well supported by surrounding amenities like schools, hypermarkets, shopping centre, banks and healthcare centres.

Property Development



Sunway Nexis, a vibrant, mixed integrated development

Awards And Accolades

As mentioned earlier in the Chairman's Statement, Sunway City Ipoh achieved a remarkable milestone by winning the International Real Estate Federation (FIABCI) Malaysia Property Award 2010 for the Master Plan category.

Sunway City Ipoh is a RM1.5 billion township in the midst of verdant tropical greens and majestic million-year-old limestone forest hills. It is phased for development over 15 years and will emerge as a signature resort township, attracting tourists from all over the world. Sunway City Ipoh complements the State government's ambition to promote Ipoh as a tourism, recreational, institution of higher learning and economic base.

The integrated township is a joint-venture development project between SunCity, Perbadanan Kemajuan Negeri Perak and Yayasan Negeri Perak. Sunway City Ipoh was designed to be the catalyst of growth for the Eastern Development Corridor of lpoh City.

The Group was also the first to obtain the Green Building Index (GBI) certification for its 2010 residential project Sunway SPK 3 Harmoni. The GBI is Malaysia's first comprehensive environmental rating system for buildings developed by Pertubuhan Akitek Malaysia (PAM) and the Association of Consulting Engineers Malaysia (ACEM).

Established in 2008, the GBI evaluates the environmental design and performance of Malaysian buildings based on six key criteria: Energy Efficiency (EE), Indoor Environmental Quality (EQ), Sustainable Site Planning & Management (SM), Material and Resources (MR), Water Efficiency (WE) and Innovation (IN).

The GBI rating tool provides an opportunity for developers and building owners to incorporate into their development, the design and construction of green buildings and site planning that can

provide energy and water savings, a healthier indoor and outdoor environment, better connectivity to public transport and the adoption of recycling and sustainable landscaping.

Additionally, Opal Damansara in Sunway Damansara has achieved two significant milestones due to its impressive design and layout. It is a 248-unit semi-detached condominium that was developed by Sunway Damansara Sdn Bhd, a subsidiary of SunCity and designed by Arkitek Maju Bina.

Defying the conventions of condominium living, Opal Damansara is inspired by a vision of a tropical paradise. Low-density units are nestled amidst lush landscaping to create a pristine and private retreat for those who crave a resort-living lifestyle in the city. The semi-detached concept whereby every unit in Opal Damansara is a corner has proven to be popular and well received. Residents enjoy the exclusivity of having only one attached neighbour.



Sunway SPK 3 Harmoni, a GBI and Green Mark BCA certified development

During the 3rd Asian Habitat Summit 2010 at Fukuoka, Japan, Sunway Opal Damansara Condominium was awarded the 2010 Green Asian Townscape Award at the annual commending grand ceremony.

The Asian Habitat Summit is held once every two years and the theme for the third summit was "Green Asia – Picturesque Cities." The organisers of the 2010 Green Asia Townscape award are Fukuoka Asian Urban Research Center, United-Nation Habitat for Asia and The Pacific, Asia Townscape and Design Society and China Real Estate Association.

This forum encourages members to discuss the construction of residential environment in the Asian process of urbanisation, exchange research results and boost sustainable development of the Asian undertaking of residential environment.

Another significant milestone for Opal Damansara was the win of the 2010 Design Grand Award of Chinese Residential Projects by the World Association of Chinese Architects (WACA).

WACA provides a platform for elite Chinese architects in the world to publicise their achievements and expertise. Through interaction and academic exchanges, it is hoped that WACA can raise the innovation and creativity amongst architects to serve the community. The 2009 Design Award is definitely a positive step towards that direction.

On top of this, at the Anugerah Kediaman Idaman Ceria Bangunan 2009/2010 ceremony, Laman Impian Garden Villas and Challis Damansara won the first and second prize respectively for the category of Townhouse. The award, organised by Mailis Bandaraya Petaling Jaya (MBPJ), was aimed at encouraging home owners to keep their homes well maintained and to take pride in their homes.

Developed by Sunway Damansara Sdn Bhd, Laman Impian Garden Villas and Challis Damansara walked away with RM5,000 and RM4,000 respectively for winning the first and second prize.

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 ground-breaking projects in the future.





Turnover
Profit Before Tax
Occupancy Rate
Total Nett Lettable Area

RM205 million
RM134 million
99%
2.7 million square feet

Property Investment

2010 was an exciting year for Property Investment as it made great strides in consolidating and unlocking its property value amidst the gradual recovery of the economy. Due to the strong footing in the property investment, the Group was poised to offer the largest Malaysia Ral Estate Investment Trust ("REIT") listing, Sunway REIT with an appraised asset value of RM3.7 billion.

The 8 properties injected into Sunway REIT are Sunway Pyramid, Sunway Carnival Mall, SunCity Ipoh Hypermarket, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Hotel Seberang Jaya, Menara Sunway and Sunway Tower.

The property investment division's steady earnings continued to contribute significantly to SunCity's revenue. Sunway Pyramid, after a successful expansion back in 2007 remained as one of the top popular malls in the country as it continued to perform remarkably. The iconic retail landmark, located in Bandar Sunway, Selangor with a gross built up of 4.0 million square feet and 1.7 million square feet of nett lettable area, is instantly recognizable by its Egyptian inspired architecture. Today, an

average 3.0 million visitors visit the mall every month. Up north, Sunway Carnival Mall made headway through value adding exercises as a mean to enhance the shopping experience. Open in 2007, the 4-storey mall which housed 155 outlets with a gross built-up of 800,000 square feet, introduced the services of auxiliary police for better crime prevention and introduction of buggy service to ferry shoppers from adjacent carpark to the mall.

Sunway Giza Mall, the newly open retail centre opened in 2009 found a favourable positioning among urbanites as one of the most happening Food & Beverages and entertainment hub within 15km radius of Kota Damanasara, Selangor. The star attraction is a 3-storey neighbourhood mall with 66 outlets covered a gross built up of 160,000 square feet. Its main magnet, Village Grocer remained a strong puller for the surrounding community.

The property investment division also manages an array of commercial assets such as Sunway University, Monash University Sunway Campus, Menara Sunway and Sunway Tower totaling to more than 1.9 million square feet of nett lettable area.

Property Investment & REIT



Chinese New Year showlights at Sunway Integrated Resort City

Key Achievements

- Sunway Pyramid, Sunway Carnival Mall, SunCity Ipoh Hypermarket, Menara Sunway and Sunway Tower are injected into Malaysia's biggest REIT, the Sunway REIT. The Sunway REIT was listed in July 2010.
- 2. Sunway Pyramid secured the largest number of renewals of 396 tenancies in a single year.
- Sunway Pyramid was bestowed a total of 8 awards in a single year, the best achievement since its inception including the prestigious International Real Estate Federation (FIABCI) Malaysia Property Award 2010 – Best Retail Development.
- 4. Sunway Pyramid scored a double when it took home 2 Malaysia Mega Sale Carnival Awards 2010, organised by Ministry of Tourism Malaysia for best thematic decoration and best promotions & events in the Suburban category. This is the second time the mall won both awards, the last was at Malaysia Year End Sale 2009.
- The Malaysia Retailers Chain Association (MRCA) once again awarded Sunway Pyramid as the most supportive shopping mall in 2010. The mall clinched the same award back in 2008.
- Sunway Pyramid won the 'Excellent Child contributor- Child Friendly Mall' Award – by the Association of Early Childhood as voted by parents in recognition of its child friendly facility and services.

- Sunway Pyramid's public facility clinched the Cleanest Toilet Award as awarded by Majlis Perbandaran Subang Jaya. It's touted to be among the best in the locality.
- 8. Sunway Pyramid Ice was acknowledged by Expatriate Lifestyle magazine as Best of Malaysia Excellence Award Indoor Fun testifying to its popularity among expatriate community.
- Sunway Giza Mall recorded full occupancy within 3 months of opening from December 2009 attesting to the strong brand name of Sunway and proven expertise of mall management.



Future Plans

- To cater to the demand for quality office spaces, The Pinnacle a Grade A, 25-storey, 580,000 square feet (nett) office tower with a large floor plate of 25,000 square feet (nett) is being developed and targeted to complete by end of 2013. The Pinnacle is designed towards Multimedia Super Corridor (MSC) certification, Singapore's Building & Construction Authority (BCA) Green Mark Gold accredition.
- Adding to the vibrancy towards the Bandar Sunway township, plans are underway to develop a commercial mixed development with nett floor area of 240,000 square feet and 900 car park bays adjoining Sunway Pyramid.





Turnover
Profit Before Tax
No. of Hotels
No of Guestrooms

RM209 million
RM236 million
16 hotels and resorts
3,400

Hospitality

The Kuala Lumpur based Sunway International Hotels & Resorts' ("SIHR") international portfolio of hospitality products and services ranges from a luxury collection and spa retreat, 5-star hotels and world class convention, meeting and exhibition facilities, luxurious villas, serviced townhouses and suites, 4 and 3-star hotels, to technical services, franchise management as well as hotel marketing affiliation services.

The hospitality division manages a collection of hotels and resorts encompassing three brand names — Sunway Hotels & Resorts, Allson Hotels & Resorts and The Banjaran Hotsprings Retreat, representing over 3,400 guestrooms.

Sunway Resort Hotel & Spa, the multi-property flagship of Sunway International Hotels & Resorts alone boasts 5 hotels with 1,234 guestrooms, all located within the 800-acre Sunway Integrated Resort City, minutes away from the Kuala Lumpur City Centre. The 5-star Sunway Resort Hotel & Spa, 4-star Pyramid Tower Hotel and 4-star Sunway Hotel Seberang Jaya were injected into the largest Real Estate Investment Trust ("REIT") in Malaysia, the Sunway REIT in July 2010.

The Banjaran Hotsprings Retreat is a 5-star retreat consisting of 25 luxury villas offering holistic wellness and spa experiences, unequalled hospitality and distinctive Asian grace. Nestled amid lush tropical jungle, and embraced by magnificent limestone hills on every side, is this gem of wellness, hidden away from the frenetic pace of civilisation; a sanctuary for the weary and those who seek tranquility.

Allson Hotels & Resorts is defined by the pragmatism and practicality of guests. Convenient, practical and affordable, guests are driven by these key factors for they don't have to pay more than they need to.

Hospitality



- The 5-star Sunway Resort Hotel & Spa, the 4-star
 Pyramid Tower Hotel, part of The Villas (the Hotel's luxury
 accommodation portfolio) and Sunway Hotel Seberang Jaya
 were incorporated into the Sunway REIT.
- For the first time in the history of the Hotel and a first ever for any hotel in the Klang Valley, Sunway Resort Hotel & Spa achieved a record-breaking rooms revenue by exceeding the RM100 million mark.
- Placing a high level of commitment towards guest satisfaction, the Hotel's independent Market Metrix scores revealed 92% in guest satisfaction levels consistently for the last several months of 2010; resulting in an overall score of 89.6% for the entire year - surpassing international players in the industry.
- 4. Refurbishment of the Presidential Suite in Sunway Resort & Spa was completed. The new look reveals a more contemporary and elegant feel, with spaciousness, clean lines and a sense of warmth and class taking dominance.



- 6. The Hotel opened its first snack outlet in December 2010. Bits & Bytes Cafe is located at the Sunway Medical Centre, and serves fresh, healthy snacks, sandwiches and pastries as well as beverages ideal for those on the go. The Cafe is outfitted with Wi-Fi and caters primarily to visitors of patients and staff of the Medical Centre.
- 7. The Banjaran Hotsprings Retreat, situated on a 16.59 acre valley fringing a cluster of towering limestone hills and featuring an amalgamation of natural caves, pristine jungle, waterfalls and geothermal hot springs in Tambun, lpoh, opened its doors to distinguished guests in early 2010.
- The Banjaran Hotsprings Retreat was subsequently honoured as the winner of the following awards category:
 - Expatriate Lifestyle The Best of Malaysia Awards 2010
 - Excellence Award: Best Spa Resort
 - Excellence Award: Best Non-Beach Resort
 - Harper's BAZAAR Spa Awards 2010
 - Luxe Organic Treatment: KuuSh Rejuvenating and Relaxing Facial and Body Treatment
 - Best Eastern Fusion Massage: The Banjaran Signature Massage

- Malaysia Landscape Architecture Awards 2009
- Excellent Landscape Design & Planning
- 9. The Banjaran Hotsprings Retreat was also voted:
 - AsiaSpa: Top 10 Spiritual Retreats in Asia 2010
 - DestinAsian: 2010 Luxe List
- 10. The Banjaran Hotsprings Retreat was further nominated by Asia Spa for the following categories which speaks volumes for the establishment:
 - New Spa of The Year 2010
 - Spa Retreat of The Year 2010
- Sunway Hotel Hanoi was acquired for USD15 million and is now wholly-owned by SunCity.
- 12 Sunway Hotel Hanoi, which has just celebrated its thirteenth year in operation, has undergone a full refurbishment of its guestrooms complete with new carpeting, soft furnishings, flat screen televisions and bathrooms recently. To complete its renovation plan, the Hotel will be upgrading its lobby and restaurant, "The Allante," commencing July 2011. The overall refurbishment will grant the hotel a contemporary look while retaining its warm Asian identity.



Future Plans

- The 5-star Sunway Resort Hotel & Spa's all-day dining Sun & Surf Cafe will undergo a six-month renovation exercise. Scheduled to reopen in mid-June 2011, the Cafe will boast a fresh new look and concept with more interactive and 'live' cooking stations aimed at appealing and making it a feast for the senses.
- The 4-star Pyramid Tower Hotel will be undergoing soft refurbishment in stages, beginning with changes in furniture and fixtures.
- In the pipeline also, is soft refurbishment for The Villas, the Hotel's luxury accommodation portfolio with only 17 exclusive Asian-styled villas – each with its own plunge pool and other relaxing features aimed at delivering true peace and serenity.
- 4. 2011 will see the opening of Lost World Hotel. This development is aimed at providing visitors an integrated

- experience of living and playing within the Lost World of Tambun Theme Park. The official opening is targeted at the first half of 2011.
- 5. Sunway Hotel Georgetown Penang, slated for a total renovation plan worth RM17 million by mid-July 2011, after marking its seventeenth year in operations, will be renovated to reflect Asia's rich cultural heritage coupled with modern flair. In the refurbishment plan are its guestrooms, The Club Executive Floor, Lobby, Food & Beverage Restaurant, Café Tropics and the Hotel's facade. The extensive renovation program is taking place over a period of one year and is targeted to complete by Quarter 2 of 2012.
- 6. Sunway Hotel Seberang Jaya, an established business class hotel in Prai, Penang will be undergoing a RM8 million renovation plan in August 2011. The renovation plan encompasses the property guestrooms, suites, lobby, Oriental Coffeehouse and will unveil a newly re-branded Executive Floor known as "The Club". This transformation is part of the brand-wide effort to revitalise the Sunway brand and will be

- carried out in phases over a period of 1 year, scheduled for completion by mid 2012.
- 7. Consistent with its business expansion, SIHR has also implemented a tailor-made employee training programme Sunway's Exceptional Employee Development Programme ("SEED") to be rolled-out systematically to upgrade and improve the levels of service at its properties. This programme will also create brand acknowledgement for its employees; it will instil the joy at work and fostering greater sense of belonging and pride for what they are doing in the hotel industry". For countries such as Cambodia and Vietnam, the SEED programme offers an excellent opportunity to transfer knowledge to these countries, a platform for sharing best practices which has contributed to the great success enjoyed by the Sunway hotels in Malaysia.





Turnover
Profit Before Tax
Park Size
Visitorship

RM142 million
RM21 million
100 acres
1.4 million

Leisure

SunCity's leisure segment owns and manages two award winning attractions which are Sunway Lagoon and Lost World of Tambun, Ipoh as well as time-shared businesses like Sunway International Vacation Club and Sunway Travel.

Sunway Lagoon is an iconic multi-park destination. It is the winner of Asia's Best Attraction Award for four consecutive years (2007 to 2010) by the International Association of Amusement

Parks & Attractions (IAAPA); to date the only attraction in the world to have achieved that. In 2010, Sunway Lagoon also won the European Golden Pony Awards, an award established in 2002 by Games & Parks Industry magazine to give tangible recognition to excellence in the leisure sector internationally.

Lost World of Tambun is a fully themed park that appears to emerge from the surrounding limestone hills and enclaves. It is the proud winner of the National Tourism Award - Innovative Tourist Attraction - Natural Attraction/Eco Tourism 2008/2009.

_eisure



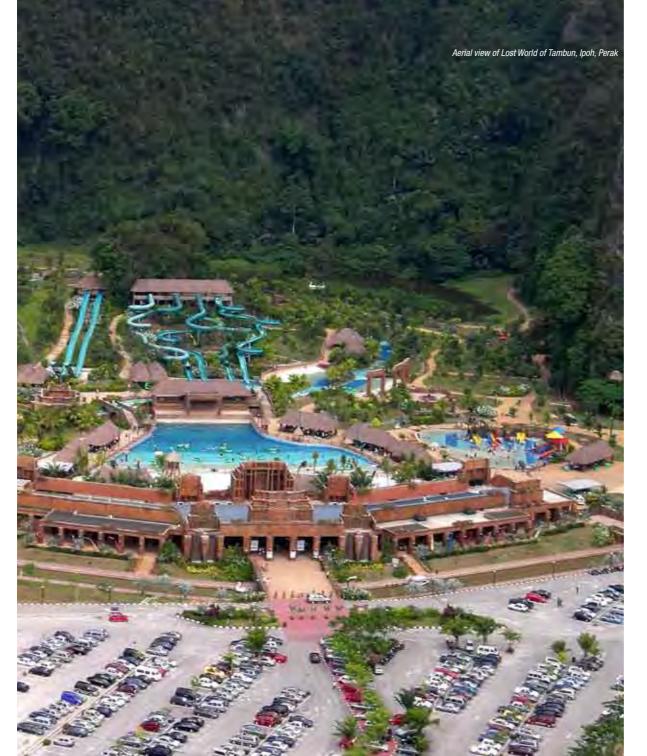
Tourism Minister Dato' Sri Dr Ng Yen Yen, guest of honour at Peter Pan The Musical

Key Achievements

- Sunway Lagoon was awarded the coveted 'Asia's Best Attraction' award for the fourth consecutive year from 2007 to 2010 by the International Association of Amusement Parks and Attractions (IAAPA) – to-date the only attraction in the world to have achieved such feat.
- Sunway Lagoon won the inaugural 'Asia's Best Waterpark' award by IAAPA.
- Sunway Lagoon bagged the 'European Golden Pony Awards' by Games & Parks Industry Magazine, Italy for being the best attraction in Asia.
- Sunway Lagoon won 'Best Brands in Corporate Branding Leisure – Theme Park 2009' by The BrandLaureate SMEs Chapter Awards, for immense and successful brand presence in Malaysia.

- Sunway Lagoon was recognised as 'Excellent Child Contributor – Children's Entertainment Theme Park' by the Association of Professional Early Childhood Providers (APECP) for entertaining educational initiatives.
- Sunway Lagoon was voted 'Best Outdoor Fun' by Expatriate Lifestyle, one of the leading lifestyle magazines in the country.
- Sunway Lagoon accorded 'ASEAN Most Recognisable Brand; Theme Park & Attraction' by ASEAN Retail Chains & Franchise Federation (ARFF).
- Sunway Lagoon introduced Asia's First Terminator-themed laser tag game at Scream Park – TERMINATOR X : A LASER BATTLE FOR SALVATION.
- Sunway Lagoon was yet again the venue of choice for 'MTV World Stage' and 'Arthur's Day Celebration' following the stellar success in 2009.

- 10. Peter Pan The Musical, the very first theatrical collaboration between Sunway Lagoon and London West End professionals made its debut during the Gala Premiere on 26 November 2010. The show was performed six-days a week until 2 January 2011.
- 11. The Lost World Junior Ranger Programme, a meaningful and educational programme for children aged between 6 to 16, was launch to teach children about different species of animals, their habitats and to appreciate their place in the eco-system. A yearly RM200 membership fee entitles them to unlimited entry into the Petting Zoo.
- 12. The Lost World Hot Springs & Spa was the pride and latest addition to the ever evolving Lost World of Tambun theme park. Covering an area of 80,000 square feet, a unique hot springs and spa has been created at a cost of more than RM2 million.
- 13. Lost World of Tambun was the selected prime location for the Malaysia Day celebration in Perak. Approximately 5,000 visitors enjoyed the celebration party.



Future Plans

- A 5D theatre will be introduced at the Amusement Park @ Sunway Lagoon to bring the cinematic experience to a surreal level with emphasis placed on the senses of touch and smell in addition to state-of-the-art audio and 3D visual technology.
- The Water Park @ Sunway Lagoon will soon offer a giant water slide that has taken the world by storm – the Tornado. The funnel-shaped attraction combines the best of both traditional and non-traditional water slides with a touch of thrilling and extreme elements.
- Following the recent success of Sunway Lagoon's first performing arts – Peter Pan The Musical, plans of organising or collaborating with other productions are underway for 2 musical shows that will delight the young and young at heart alike – the first being Magical Musicals in June 2011.
- 4. Sparkling, shimmering and spectacular 'Laser Show Lights' will hit the Surf Beach @ Sunway Lagoon in an effort to dress up the man-made surf beach at dusk. Featuring an amazing array of colours and shapes, the show lights will add a touch of elegance to the hottest concert and events venue in the region.
- Lost World of Tambun is spreading its wings further as construction for Lost World Recreation Park will commence end February 2011 and completion is targeted for August 2011.





Turnover
Loss Before Tax
Specialist Consultation Suites
No. of Beds

RM139 million
RM2 million
100 clinics
350

Healthcare

Sunway Medical Centre (SunMed) adds to the Group's position as a provider of quality healthcare services under the healthcare segment. SunMed is certified to ISO9001:2008 and Malaysian Society for Quality in Health (MSQH) standards.

SunMed is one of the most foremost private hospitals in the nation with a total of 350 beds, more than 100 consultation suites, 12 operation theatres and a multi-storey car park with 700 parking bays. SunMed offers a comprehensive range of acute, tertiary level medical services.

Healthcare



SunMed is the first hospital in Malaysia to integrate Philips Healthcare's Critical Care Information System into its intensive care unit

Key Achievements

- SunMed celebrated "Better Hearing & Speech Month" for the first time – this follows from SunMed's achievement of being the first private hospital in Malaysia to screen all newborn babies for hearing disabilities. In conjunction with this, the Cochlear Implant Family Day was held for implant patients and their families at Sunway Lagoon.
- SunMed has set a new standard for patient care by adopting
 the use of an Radio-frequency identification (RFID) device,
 the ThermoSensor by CADI. This device provides wireless
 transmission of the patient's location within the hospital
 as well as measuring and transmitting the patient's body
 temperature without the need for thermometers.
- 3. SunMed is the first private hospital in Malaysia to integrate the Philips Healthcare's Critical Care Information System into its

- 31-bed Critical Care Unit. This digital system enables real-time monitoring of patients' vital data (blood pressure, pulse rate etc) and transmission of the data to central workstations; it forms one module of the electronic medical record system of the hospital.
- 4. SunMed has successfully continued its longstanding good reputation as an organisation of choice with the certification of ISO 9001:2008 Management System, Malaysian Society for Quality in Health Accreditation (MSQH), and the first private health care provider to be certified with ISO 15189 Medical Testing Laboratories Certification.
- In conjunction with the National Breast Cancer Awareness Month, SunMed successfully organised 'Pink October', which was supported by the Pride Foundation, set up by the late wife of ex-Prime Minister, Tun Abdullah Badawi. The event was graced by Puan Nasirah Aris, Advisor for the Pride Foundation.

- 6. SunMed established its Clinical Research Centre and SunMed Independent Research Ethics Committee to promote excellence in medical research, an ongoing collaboration with both the Jeffrey Cheah School of Medicine & Health Sciences, Monash University Sunway Campus and with industry partners, particularly the pharmaceuticals sector.
- 7. 200 people attended the LEAN Carnival, an event aimed at promoting knowledge of healthy lifestyles and reducing the risks of obesity-related diseases. The Carnival comprised several activities such as exercise and cooking demonstrations, health talks, free health screening as well as free counseling sessions with the hospital dietitians.
- SunMed delivered the first set of international twin babies conceived through In Vitro Fertilisation (IVF) at Sunfert, SunMed's fertility service centre. The twins were born on 10 October 2010 by Caesarean Section.



- 9. Jointly organised by SunMed and the Jeffrey Cheah School of Medicine & Health Sciences, a 2 day Early Intervention Workshop for children with developmental & learning disabilities was held. Participants and speakers were drawn from a variety of institutions and bodies, including those in early education, Ministry of Education as well as clinicians.
- SunMed has signed a Memorandum of Agreement with Prince Court Medical Centre to offer SunMed patients radiation oncology and nuclear medicine diagnostic services.

Future Plans

- In conjunction with Better Speech and Hearing Month 2011, a
 Jogathon for the public will be held on 29 May 2011 with the
 objective of raising awareness of speech & hearing disabilities
 and their management.
- 2. SunMed will also hold the Sunway Medical Healthfest an event that includes talks, health screenings and exhibitions for the general public.
- With the prevalence of diabetes in our population, SunMed will be organising activities in support of World Diabetes Day, which will include lighting up buildings and streets of Sunway in blue. With this, SunMed hopes to be able to reinforce the awareness of diabetes management among the community.





Marketplace 96 Workplace 100 Environment 108 Community 112







SunCity continues to place great emphasis on its corporate responsibility policy to promote a well-balanced business model that will have a positive impact for all its stakeholders. The Group believes that apart from financial profitability, it is of utmost importance to pay attention to the needs of public interest in its overall decision-making. By doing so, this will translate to a business model that is both beneficial and sustainable for both the Group and its stakeholders in the long-term.

The Group views its role as a responsible corporate citizen seriously and strives to lead by example in areas of corporate governance, good business ethics, fair and equitable treatment of its stakeholders and by reaching out to the community it operates it. By integrating social and environmental concerns in its business operations, the Group will strengthen its reputation in the marketplace as a reputable and trusted public listed company.

SunCity remains true to its corporate responsibility practices which include the marketplace, workplace, environment and the community for a more holistic approach. By focusing on these pillars, the Group is able to clearly distinguish the different areas that require the Group's attention.

SunCity also believe in promoting principles of responsible behavior throughout the entire organisation in order to ensure that these practices are adopted on a consistent and recurring manner. A good corporate responsibility programme will also help to improve an employee's connection with the Group and understand its business objectives better which translates to greater motivation at the workplace.

SunCity's efforts in corporate responsibility has been recognised by the Ministry of Women, Family and Community Development and SunCity was awarded the Perdana Menteri Corporate Social Responsibility ("CSR") Award 2010 for Best Overall CSR programme. The award recognises the best corporate responsibility programme amongst all the large corporations nominated and awarded across all categories for the year.

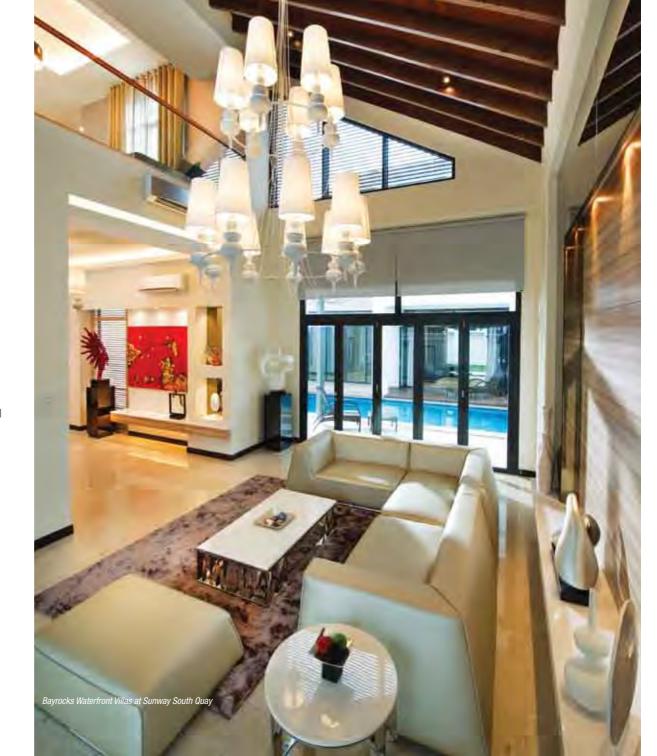
Moving forward, the Group will continue to explore new avenues to fortify its corporate responsibility programs. The overall objective is to improve the existing standards from the viewpoint of its wide range of stakeholders which includes employees, customers, shareholders, suppliers, investors and others.

PILLAR 1: MARKETPLACE

The Group is a firm advocator of engaging in good conduct and ethical practices within its sphere of business for greater disclosure and transparency. It is also about having close collaborations with all the regulators for active compliance to all the necessary business and statutory regulations.

Having good business relationships with suppliers are also pivotal to ensure that the business chain model is properly conducted in a transparent manner from beginning to end. It is in the best interests of the Group that it chooses suppliers that are aligned with its core values that promote good corporate behavior.

With regards to customers, the Group implements responsible sales and marketing policies and provides adequate training to employees on the implementation of these policies. In short, the needs and expectations of the customers must always be respected and protected to build a high level of trust. This will translate to recurring business which is beneficial for the Group in the long-term. Customer satisfaction forms the foundation of any organisation's success and is given due attention by every employee.





Olympic length pool at LaCosta Lakefront Condominium, Sunway South Quay

Procurement Policy

The Supply Chain Management Department is responsible for the procurement process by maximising the efficiency of procurement as well as negotiating with suppliers through a fair and clearly defined framework. Employees who are engaged in the procurement process must always observe high ethical standards. This will ensure that the Group maintains its reputation as a listed entity that conducts its business with an unbiased and honest approach.

The main objective is to identify and engage with suppliers who are reliable for quality products and services in the most cost effective manner. Expenses will be minimised by having a good purchasing strategy and an established set of trusted suppliers. As such, the procurement team plays an important

role in the selection of key suppliers and for building long-lasting relationships that benefits both parties. The procurement team is responsible for enhanced purchasing power and supplier management which results in lower costs and improved quality.

Standardised procedures, quality control, contract and performance management and reporting are key ingredients for a good procurement process. There are also formal competitive bidding procedures to select the supplier offering the best product or service.

Investor Relations

The Investor Relations department serves as an important bridge between the Group and the investing community by

providing accurate and concise financial information. It is tasked with handling queries from shareholders and investors as well as conducting frequent dialogues with analysts that seek to understand the Group's existing financial status as well as future goals and strategies.

These initiatives are vital to ensure information transparency and to establish the Group's reputation as a reputable and reliable business entity. By communicating the Group's strategic direction, the department is also able to gain investor confidence. The investing community is able to obtain the latest updates on the Group's business progress via the Group's website or through direct contact with the department.

Total Quality Management System ("TQMS")

The Group takes a pro-active approach in promoting quality and excellence by implementing a TQMS for every department. The TQMS has helped to streamline the Group's processes and increase profitability as it facilitates quality management, compliance management, risk assessment and other components that directly impact the Group's product and service quality. Plans are reviewed at periodic intervals and amended when necessary to ensure it is updated and relevant.

The TQMS is a sound framework for the Group to strive for excellence in every job function. Having a good TQMS helps to sharpen the Group's competitive edge by improving customer satisfaction. As a result, every employee in SunCity is required to adopt the TQMS as it is a collective effort to meet or exceed customer expectations. The senior management team takes a pro-active approach in refining the TQMS to achieve organisational success. Customers will only be satisfied if they are able to receive quality products and services on a consistent basis.

SunCity has been accredited with the MS9001:2008 Quality Management Systems – Requirements in the Development of Residential, Commercial and Industry Properties since 26 September 1997. The Group continues to uphold this high level of excellence in order to maintain its reputation in the marketplace.

OUALITY STATEMENT

SunCity's quality statement remains unchanged which is to continue its commitment to be a customer intimate organisation. This is made possible by ensuring that the customer will always enjoy a positive customer experience that meets or exceeds their expectations. This philosophy is backed by the support of every employee that operates within the guidelines of the TQMS model.

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 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/her 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 APPROACH

(leading & reinforcing)

We plan and continuously provide as well as review all resources and infrastructure to support the Company's quality efforts. The initiatives include Annual Business Planning, ISO Standard Operation Manual, Work Instruction and Knowledge Portal.

MEASUREMENT

(monitoring quality)

We measure our organisation and individual performance in relation to the Group and quality objective.

CONTNUOUS IMPROVEMENT

(preventing & innovating)

We constantly seek for improvements in order to serve the needs of our customers better.



The Banjaran Hotsprings Retreat surrounded by 400 million year old limestone hills

Environmental Management System

SunCity also continued to stay true to its role as an environmentally conscious developer with its ISO 14001:2004 Environmental Management System certification for Development of Residential, Commercial and Industrial Properties.

The certification was issued by SIRIM QAS International Sdn Bhd, with a UKAS (United Kingdom Accrediation Services) logo appended to it. SIRIM QAS International Sdn Bhd is registered with IQ NET (The International Certification Network) which further enhances recognition and acceptance of their certification around the world.

ISO 14001 is the world's most recognised framework for environmental management systems and has been practiced in various countries globally. The main objective of this standard is to provide a sound framework for an organisation's environmental policy, plans and actions.

Through an internal perspective, ISO 14001 will allow the Group to effectively monitor its business operations and understand their impact on the environment. Additionally, it will provide a strong assurance to employees that they are working for an environmentally responsible organisation. On the external viewpoint, it provides assurance to external stakeholders, such as customers and regulatory authorities that the Group is fully committed in promoting sustainable development.

The certification represents another milestone in SunCity's commitment towards good business practices as the Group has previously received the ISO 9001 certification which is related to quality management systems.

As the Group focuses on designing environmentally-friendly buildings, setting the standard for a better environment management process is a natural progression for the Group to achieve a more efficient and sustainable business practice. It will help the Group to monitor the impact of its activities, products and services to the environment.

PILLAR 2: WORKPLACE

2.1 HUMAN CAPITAL DEVELOPMENT

Human capital development remains a core focus of the Group to recruit and retain high caliber employees. With a strong and competent workforce, this will propel the Group to even greater heights of excellence.

In order to sustain a conducive working environment, the Group offers continuous training and managerial programmes to boost morale and improve productivity levels. Employees that have good performance are rewarded accordingly with attractive remuneration packages. Constant engagement with all employees is key in understanding their needs and to develop programmes that meet with their requirements.

The Group is also well known for its wide range of talent management programmes that have successfully harnessed the strengths of its employees. Carving a clear career development plan for employees will motivate them to make positive contributions to the business as they understand and value their role in the overall business model.

By having quality human capital, the Group will be able to improve its bottomline and expand its presence further in the marketplace. As such, the Group will continue to introduce policies that will benefit its employees in order to make SunCity a great place to work.









The Group fully understands the importance of attracting the right talent as this represents the first step in developing a strong workforce. Great care and attention is placed on recruiting the best candidates with the relevant qualifications and experience.

Applicants are required to undergo a Focus Behavioural Interview (FBI) and Personality Profiling tests which aims at discovering the candidates' competencies and behavioural traits to find the right fit with the position being considered for.

Additionally, the department has updated the Group's website with a Careers tab where interested candidates are able to view further information on how they can work with the Group. This allows candidates to understand the Group's career growth plan and view promising job opportunities that are available.

2.1.2 Talent Engagement

Talent engagement is pivotal to ensure that employees are properly motivated to contribute their best to the organisation. Talent engagement is important to ensure a high level of commitment and involvement from the employee towards the organisation and its core values.

SunCity has implemented comprehensive internal and external engagement surveys to monitor and understand the level of engagement of employees. The results of these surveys are then compiled and analysed in order to identify opportunity and threat drivers. The goal is to explore areas for further improvement.

Some of the dimensions measured include performance management, compensations and benefits policy, organisational communication and leadership, employee development as well as the overall work environment.



SunCity also differentiates itself from other employers in the market with the '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 GPTW logo was launched in January 2008 with the objective of promoting 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.

SUNWAY CITY BERHAD ANNUAL REPORT 2010





Successful completion of Buddy Programme

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

On this matter, SunCity have successfully met its objectives as reflected by the numerous activities under the GPTW program. These programs include the Revisit of Balanced Scorecard Methodology, Buddy Program, Learning Institute, Pride of Association, Social Linkage and Kopitiam Sessions. Through the GPTW programme, SunCity is on its way to take employee engagement to the next level. This further strengthens SunCity's position as a green, innovative and customer-intimate, integrated real estate player.

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

SunCity has also continued its Pride of Association programme whereby the objective is to infuse pride in employees on the Group's numerous award-winning properties. This is done by organising interactive field trips to the sites and show units.

New recruits in the Group are paired-up with experienced 'buddies' under the Buddy Programme, whereby the buddy is responsible to guide the new-recruit to understand the new environment, infrastructure system and SunCity's culture.

At Sunway Lagoon, training and activities organised were designed to challenge, motivate and encourage employees physically and mentally to deliver a fun experience to every visitor at Sunway Lagoon. One of the activities held was a gotong-royong. Employees from various departments worked together to clean the entire park and this will encourage them to take personal responsibility in keeping the park clean.

A fun element was added to the annual staff outing with the 'Inter-Department Staff Outing Tournament'. The tournament comprised of teambuilding activities which saw employees participating in Sunway Lagoon's own attractions. With department integrity at stake, the tournament provided healthy competition and further strengthened esprit de corps.

To improve communications between the Management and Sunway Lagoon employees, the "Come Feel the Fun Interactive Notice Board" was introduced. The notice board provides information to employees on matters involving Sunway Group and Sunway Lagoon – all delivered in colourful and easy to read posters. Birthdays and work anniversaries are also highlighted to celebrate and recognise the hard work and dedication of Sunway Group's long-standing employees.

Outside of the formal working environment of Sunway Resort Hotel & Spa, the Hotel's Associates' Recreational Club (ARC) embarked on a number of sports and recreational activities that helped foster networking between staff. These included favourites such as bowling, futsal and badminton. Several trips within Malaysia were also organised with one trip being extended to family members of the Associates to promote family bonding.





Annual teambuilding event at Lost World of Tambun

Internship programme at Sunway

SunMed was determined to build on the strength of 1,100 employees' capability through an aggressive employee engagement programme. The programme's objective was to strengthen the employee engagement index to impact the hospital profitability positively. Furthermore, to enable employees to take pride in serving the company's stakeholders, SunMed has formed five work groups to achieve this, namely:

- Communication Team
- Workload Team
- Staff Health Team
- Performance Team
- Recognition Team

Internship Programme

The Group is a strong advocate on the Internship Programme.

This programme acts as a platform for our Employer Value

Proposition (EVP) initiative. One of the objectives is to share the

vibrant experiences in SunCity around campuses in order to publicise the Group as an employer of choice.

The interns are exposed to the corporate environment which prepares them for the working world. The Group have been employing interns from renowned higher learning institutions that include Monash University Sunway Campus, Sunway University and University Malaya, placing them in various departments that include Supply Chain Management, Finance, Information Technology, Construction Management and Marketing.

In its endeavour to reach out to university students, SunMed established the Integrated Learning and Resource Centre ("ILRC") which helped strengthened collaboration with Monash University Sunway Campus to provide clinical workshops and develop attachment programmes for pharmacy students, and with Sunway University to improve nursing communication skills.

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 division and to the operational and support levels.

The HCD department spearheaded the revisit of the Balance 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 programs.

REPORT 2010





Recognising employee's outstanding achievement

SunCity provides continuous trainings to improve employees' performance

2.1.4 Talent Development and Retention

The 'Training Institute' represents SunCity's commitment to individual, team and professional development for the employees. On a weekly 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 a half-day basis usually on Fridays whereby senior management staff are invited to facilitate the sessions. This demonstrates the willingness to share their knowledge and technical know-how to the younger generation.

In SunMed's mission to build the hospital's capabilities from within and grow with the company, ILRC successfully delivered internal clinical training programmes such as Basic Life Support training and Advance Cardiac Life Support training for clinical and nursing staff, and conducted soft-skills training internally.

Meanwhile, recognising the enlarged scale and complexity of the hospital, senior leaders and seasoned managers took on mentoring appointments to support the clinical professionals assuming managerial roles.

To grow, develop and motivate Sunway Lagoon's employees, in-house training programmes were re-developed to have a more 'Fun, Beneficial and Interactive' ("F.B.I.") approach. F.B.I. is delivered with practical applications and conducted in an outdoor setting — Sunway Lagoon's 5 different parks. These programmes not only enhanced the skills and knowledge of employees, but also helped in creating a corporate service mindset poised to deliver world-class customer service.

Programmes such as Staff Induction and Be My Guest equipped Sunway Lagoon's employees with the skill and knowledge to assist customers in a more pro-active way, encouraging employees to go beyond their call of duty and provide the best in service.

Experience the Park as a Visitor (ETPAV) allowed Sunway Lagoon's employees the chance to step into the shoes of customers for a day. The feedback received has also been an invaluable training tool and also helps to improve services and facilities. As succession planning is essential for an organisation to grow, Skill Training — Train the Trainer was designed to achieve this and to encourage staff retention through career advancement.

The Hotel also invested significantly in human resources to develop and establish benchmarks by which employees were able to direct and measure their efforts. Responsible management, demonstrating leadership by example, was encouraged, while maintaining focus and direction. Within this framework of a disciplined corporate environment, the more people were empowered, the more satisfaction they seemed to have reaped from their work, and the better the results were for guests and the organisation.





Thought sharing session with senior management

Making A Difference (MAD) training

In the past year, the Hotel conducted an average of 5,000 training hours per month, ranging from internal training sessions to outsourced or external training. These sessions covered a host of topics such as Service Excellence, Making A Difference, Supervisory Skills and Personal Development. Apart from being designed to better equip management and staff on various aspects of product and service delivery, these sessions were also aimed at fostering appropriate levels of learning and growth.

2.1.5 Succession Planning

SunCity has a structured talent review and succession planning process to ensure smooth business continuity. Key talents with future leadership potential are developed through the Sunway Talent Development Programmes (TDPs) which is initiated in 2010. 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 programs (TDPs) are used such as Sunway Managerial Advancement for Recruited Talents (SMART); Emerging Leaders Programme (ELP); Developing Leaders Programme (DLP) and Advanced Leaders Program (ALP).

Sunway Managerial Advancement for Recruited Talents ("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.

Talent Development Programmes (TDPs)

The Emerging Leaders Programme (ELP) is specially designed for Sunway's talents who are young and potential managers. This programme aims to develop their foundational people leadership skills, increase their understanding of various functions of Business Units and also expose them to the rest of the Sunway Group through secondment or cross move within Business Unit or to lead cross functional project.

Talents who are middle managers will be enrolled into the Developing Leaders Programme (DLP). The purpose of this programme is to develop their people managing & team development skills, solving problem by working on strategic projects, as well as strengthen their knowledge in key business area through a diversification of role or to lead a strategic project outside own Business Unit.





Sunway Managers' Conference 2010

Sunway Family Day

The Advanced Leaders Programme (ALP) is designed for talents who are leading respective business units to build leadership network across and outside Sunway, become the ambassador of the Sunway leadership culture, and most importantly, lead change and establish best practices in their respective Business Units that are critical to success in all Sunway businesses.

2.1.6 Training Programmes

ICAEW and ACCA Programmes

The Group was appointed as an Approved Training Organisation by The Institute of Chartered Accountants in England & Wales (ICAEW) to run the Association of Chartered Accountants (ACA) programme. The Group is among the first non-accounting related firms outside 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 provides an insight into SunCity's strategic direction and objectives. The theme for 2010 was "Navigating the Changing Landscape", with highlights included talks by Dr Cheong Choong Kong and Lauge Sorensen who spoke on Building a Smarter Planet: Leadership Strategies for a Changing Landscape.

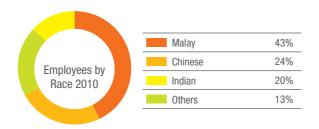
2.1.7 Group Human Resources ("GHR") Resource Centre

GHR Resource Centre was launched on 23 March 2007, a knowledge centre where employees are provided with books, CDs and DVDs of 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 Sunway Group mission to inject a spirit of unity amongst all Sunway Group employees. During the period under review, numerous activities ranging from family days, team outings, lunch talks, sports carnival and holiday trips to local and overseas destination were organised by KSS for the benefit of all Sunway Group employees. Additionally, KSS encourages all Sunway Group employees to reach out to the less fortunate by volunteering themselves for charitable activities contributions. Another main activity organised by KSS was the annual KSS Sports Carnival to promote "Sports Spirit & Teamwork" among Sunway Group employees. The sports activities included badminton, futsal, basketball, bowling, netball and others. SunCity emerged as champion in the basketball, carom and volleyball games.





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 members to enjoy and relax.

2.2 HEALTH & SAFETY

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, in regulations and approved codes of practice.
- Maintaining all occupational safety and health documentations and conduct periodic reviews on its effectiveness.

The Group 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 and 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. It is 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.

Operations personnel also attended a 'Safety Induction Program' that cover 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 safe and a healthy work 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 Award 2004 and 2006 for having achieved the highest score after undergoing several stringent process and audit exercises in the Hotel & Restaurant category. Sunway Medical Centre portrayed the same excellence in OSH by winning the Silver Award in the National Excellence OSH Award 2004 and 2006 in the Business Services category.

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 year. 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.

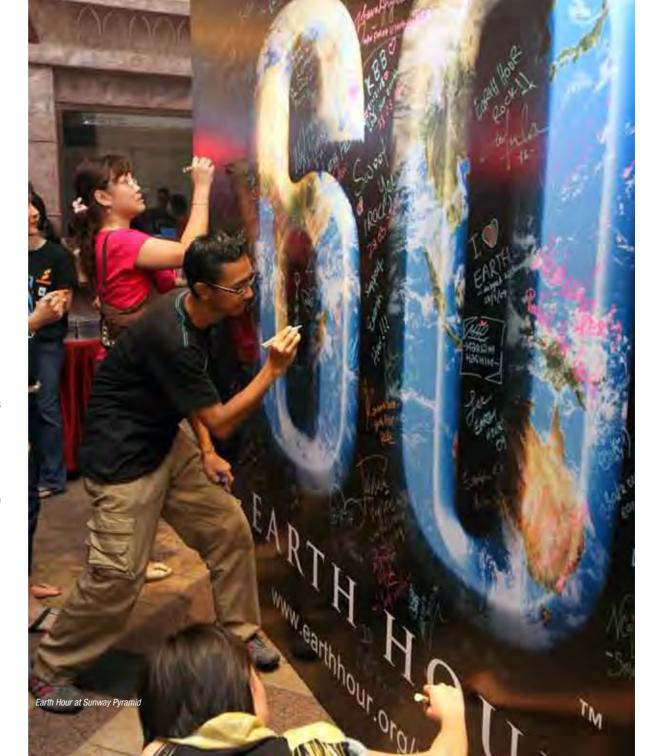
By employing a diverse workforce, the Group is able to have a better understanding of today's dynamic market demographics. It will also enable the Group to tap into a pool of people from different backgrounds who can generate creative solutions to ensure that the Group becomes more responsive in today's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

PILLAR 3: ENVIRONMENT

There is growing awareness and public concern on the impact that business activities may have on the environment. Additionally, consumers are becoming environmentally conscious and being mindful of the manner in how they lead their lives and in making discerning choices for their products and services.

The Group is also focused on achieving a symbiosis with nature and has been proceeding with concerted efforts to safeguard the environment in all aspects of its business activities. The objective is to promote sustainable business practices for greener economic growth.





Inculcate the importance of recycling among the young

Promoting Sustainability Through LOHAS

The Property Development Division has continued to strengthen its commitment as a green developer with its compliance to stringent green certifications such as the Green Building Index (GBI) and the Singapore's Building and Construction Authority (BCA) Green Mark. These certifications reflect the Group's vision to develop environmental-friendly and cost-effective projects that promote sustainability and community building.

The requirements of these certifications were met as the Group had followed specific guidelines and had also incorporated the 'Lifestyles of Health & Sustainability' ("LOHAS") philosophy into the design and architecture of its developments. LOHAS encompasses 5 pillars which are sustainable living, the environment, social justice, personal development as well as health and fitness.

The Group had also organised an internal launch on LOHAS to employees to explain the importance to adopt this philosophy and

how it is aligned with the Group's goal of being a green developer. Senior management helped to explain the key messages of this philosophy and provided interesting examples of how the Group will embrace the 5 pillars in its developments. In short, this had helped employees understand LOHAS in an even more in-depth manner.

Adopting the LOHAS philosophy has ensured that SunCity's product offerings are consistently translated into quality and comfortable homes that are in harmony with the surrounding environment. In short, the Group is committed to incorporate the latest green technology in its building concepts whenever possible for the benefit of its customers.

Instilling LOHAS at the Workplace

The Group has also taken a very pro-active approach to prevent environmental pollution at project sites, the head office and branch offices. Other initiatives include improving the knowledge and awareness on sustainable construction and environmental practices of personnel at project sites as well as head and branch offices. Every employee plays an important role in meeting the quality and environmental objectives as it is a collective effort.

The Group has also taken steps to inculcate a culture of preserving the environment in the workplace by creating awareness to 'Go Green'. As such, all employees are constantly reminded to reduce, reuse and recycle.

To this end, recycling bins for paper, plastic and other materials have been provided for each departmental floor. Additionally, employees are strongly encouraged to go paperless in their daily office work and to conserve as much paper as possible. This is done by using recycled paper when printing and employee usage is monitored as their identification tag is required to access the photocopier. Overall, these efforts will help to conserve more resources efficiently.

ANNUAL REPORT 2010





First carpark guiding system in Malaysia at Sunway Pyramid

Lemongrass planted throughout The Banjaran Hotsprings Retreat as natural insect repellent

Providing Environmental-Friendly Facilities

SunCity go beyond just business as the Group believes commercial pursuits should always be balanced with corporate responsibility. From engagement with the less fortunate to being environmentally conscious, SunCity strives to put in upmost effort. These best practices and initiatives were duplicated and deployed at Sunway Carnival Mall, Penang and Sunway Giza Mall, Kota Damansara.

Sunway Pyramid's Carpark Guiding System, the first to be implemented in Malaysia continued to draw good response from motorists. The system allows motorists to locate vacant bays with less hassle while reducing heat and exhaust emissions in the car park. The same system is also operational in Sunway Giza Mall.

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

this environmental friendly liquid would break down urine into harmless and odourless particles without the need to flush. This is further complemented with motion sensor taps in the toilets to reduce water wastage.

To encourage recycling exercises, recycle buy back centres were built at our own costs for shoppers and tenants to discard recyclable materials. Managed by Alam Flora, these buy back centres can be found in Sunway Pyramid and Sunway Carnival Mall. Recycling bins in sets of three for paper, plastic and aluminum can be found throughout the malls. At the same time, recycling efforts are also widely practiced across the hospitality, healthcare, leisure and education components.

To sustain the environment, the hospitality division has also taken measures and incorporated green efforts into the hotel operations. To promote a cleaner environment, Sunway Resort Hotel & Spa continued to utilise NanoMax® technology, an air

purification technology which cleanses, sterilises and deodorises the air in Pyramid Tower Hotel guestrooms, Sunway Resort Hotel & Spa's Executive Offices and staff areas in an effort to promote a safe and healthy environment.

For years, the hospitality division practices the habit of recycling old towels into rags and sacks. Guests of the hotel were also encouraged to use towels for longer periods rather than to have them washed on a daily basis. Similarly, linens are also replaced after a guest checks out, prior to a new guest checking in; thereby eliminating the need to wash and replace linens daily.

"Green" is a word that is also deeply embedded into the philosophy of The Banjaran Hotsprings Retreat, a luxury eco-friendly tropical rainforest wellness retreat. Water is conserved by utilising geothermal spring water for irrigation of the landscape. Additionally, all private jacuzzis in the villas, water features in the interior design and the garra rufa Dr. Fish pool use



Interactive and Green Education Programme at Sunway Lagoon Wildlife Park

the natural spring water directly from the surrounding rainforest. To efficiently handle waste management, The Banjaran Hotsprings Retreat uses old newspapers and magazines to weave laundry baskets and waste baskets for guest villas. On top of that, eco-labelled printing paper and recycled paper are used throughout the resort.

Lemongrass planted throughout the resort is used as mosquito repellent instead of using insecticides, and pandan leaves can be found in abundance throughout the resort as the sweet scent provides aromatherapy to the resort guests. Most of the buildings at The Banjaran require minimum use of air-conditioning and have been designed to promote cross ventilation using ceiling fans as this enables energy conservation. Other energy conservation efforts include use of energy efficient light bulbs, natural geothermal steam for steam bath within a cave environment and electrical buggies used to transport resort quests.

Reaching Out with Green Initiatives

Paving the way for plastic and paper free shopping, Sunway Pyramid 'Bring Your Own Bag' ("BYOB") programme has designated two days — Tuesday and Saturday as no plastic bag days in an effort to encourage shoppers to go green. Limited edition BYOB bags are also made available for sale to the public with proceeds being channeled to Sekolah Menengah Kebangsaan (SMK) Bandar Sunway Special Education Unit for their special students' gardening project. A community outreach programme entitled 'Go Green With Leo' entered its second year by making good use of Sunway Pyramid's mascot Leo the Lion in visiting kindergartens to inculcate the importance of recycling amongst the young. In addition, in line with the "Go Green" component of the SunMed Staff Health & Wellness Programme, plans are underway to eliminate usage of polystyrene boxes for food takeaways in the cafeteria.

2010 marked the second year that Sunway Group participated in the annual Earth Hour in a concerted effort to show solidarity towards the issue of global warming. All non-essential lights were switched off for an hour during Earth Hour, to demonstrate support towards reducing global warming and creating awareness on climate change. Guests staying in the Sunway Resort Hotel and Spa were also encouraged to do the same for their respective guestrooms. Sunway Lagoon also plays a role in environment conservation. It 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, Wildlife Park @ Sunway Lagoon 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 Wildlife Park @ Sunway Lagoon.

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

Wildlife Park @ Sunway Lagoon Wildlife Park is also proud to be an interactive and green education platform that aids in the personal development of young children and youths from various educational institutions such as kindergartens, learning centres and schools.

The interactive and educational zoo encompasses key 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, by learning more about their habitats, diet and an interesting fact or two.

Corporate Responsibility

PILLAR 4: COMMUNITY

The Group views community-based projects as a good avenue to have direct interaction with the local community to generate economic and social vibrancy. By fostering a closer bond with the community, the Group is able to understand the heartbeat of the respective localities it operates in and develop effective outreach programmes to make a positive difference.

To this end, the Group's efforts to help the community is manifested in different forms of community-based projects that either develop or support areas that are focused on improving the well-being and quality of life for the general public and the underprivileged.





Handover of community hall at Sunway Challis Damansara

Engaging the Community

The Group actively engages in community related activities to reach out to its customers. In January 2010, the Group stayed true to its role as a responsible corporate citizen with the handover of a community hall for the residents of Sunway ParkVille.

As part of the planning requirement to surrender a part of the land to the council after the completion of the Sunway ParkVille project, SunCity had constructed a community hall to be utilised by the residents. It will allow residents of all ages to conduct their social activities in a comfortable and secure environment

This community hall will provide the perfect platform for group activities, social support, public seminars and other purposes. As a property developer that is actively involved with corporate responsibility activities, SunCity is optimistic that the hall will provide residents with a wonderful opportunity to promote greater camaraderie amongst one another.

Elizabeth Wong, Ahli Dewan Undangan Negeri ("ADUN") of Bukit Lanjan, Selangor State EXCO for Tourism, Consumer Affairs and Environment was present to officiate and witness the handing over of the community hall by Ngian Siew Siong, Managing Director, Property Development, International, SunCity to Dato' Mohamad Roslan bin Sakiman, Mayor of Majlis Bandaraya Petaling Jaya (MBPJ).

The Group also organised Chinese New Year and Hari Raya festival celebrations at Sunway SPK Damansara, Sunway Tiara, Sunway Challis Damansara and Villa Manja. The celebrations provided a joyful atmosphere for all the residents to bond together in a harmonious environment with good food and fun activities. Another activity that was organised was a 'gotongroyong' at Sunway SPK Damansara which helped to beautify the existing area even further. Residents were happy to be part of this cleaning up process as this helped to enhance the area greatly.

In order to build more rapport for the community, the Group organised an entertaining movie outing for residents of A'Marine

Tower B. Families were thrilled that they were able to watch a movie for free at Sunway Pyramid together with their children during the weekend. It was indeed a sociable gathering where everybody enjoyed themselves.

Sunway Lagoon hosted the 'Kenny Rogers Roasters Chicken Run' on 23rd May 2010, which was jointly organised with Kenny Rogers Roasters Restaurants. The aim of the fun run is to raise funds for the National Kidney Foundation (NKF) — Dialysis Treatment for the Young programme.

Under Sunway Resort Hotal & Spa's Associates' Recreation Club ("ARC"), the hotel undertook two blood donation drives with encouraging response from staff and management alike.

The Hotel also welcomed orphans for a Ramadan breaking of fast at Atrium Cafe. The evening's programme saw committee members of the ARC as well as other staff of the Hotel coming together to dine and mingle with the children.





Job Training Programme for special students at Sunway Resort Hotel & Spa

Give. Share. Love charity hi-tea for the underprivileged children

Benefiting the Unemployed

As part of the support towards the Sunway Group Job Training Programme, Sunway Pyramid once again played a big role in securing job trainings for special students from Sekolah Menengah Kebangsaan (SMK) Bandar Sunway. Working as door men, the 6-month attachment programme allowed these students to learn and at the same time be exposed to a real working environment.

The Sunway Resort Hotel & Spa supported three special students from SMK Bandar Sunway who were placed in the staff cafeteria kitchen as well as the pastry kitchen to assist in food preparation and other related tasks. Their attachment programmes with the Hotel ranged from 3 to 6 months.

Sunway Resort Hotel & Spa also provided experience and employment opportunities for single mothers under the auspices of the National Association of Women Entrepreneurs of

Malaysia (NAWEM). These women were attached to the Hotel's Housekeeping Department.

True to the core philosophy of giving back to the community, SunMed provided attachment programmes for the SMK Bandar Sunway special kids where they were placed in the Housekeeping and Food & Beverages departments to work three times a week on an hourly rate.

Embracing the Lesser Fortunate

As part of its corporate responsibility programmes, Sunway Pyramid embarked on an elaborate charity campaign called 'S.O.S: Some Of uS'. In collaboration with HOPE Worldwide, Agape Services for the Blind and Pejabat ADUN Subang Jaya, Sunway Pyramid spread the festive spirit this year with a unique charity drive programme, targeting 9 unfortunate families of various backgrounds comprising of the disabled, blind and

poor. Over RM50,000 cash and products were raised during the entire month of December which included a motorcycle, sewing machine and washing machines.

As part of its year long programme, the malls tried to give back to the society they served. Outings for the underprivileged, redemption proceeds to charity organisations and venue sponsorships were part of the advertising and promotions' events throughout the year. The Non Governmental Organisations (NGOs) that SunCity worked with include of:

- Persatuan Kebajikan Ci Hang Cempaka Selangor
- Rumah Orang-Orang Tua Seri Setia
- Masjid Al-Husna
- SMK Bandar Sunway (Special Education)

On the leisure helm, Sunway Lagoon together with The BrandLaureate organised a Corporate Responsibility (CR) Program – 'Achieve The Impossible with Alain Robert', also known as the French Spiderman. The programme treated







Increasing health awareness through public forum at Sunway Medical Centre

underprivileged children to a day of fun in the sun, with Monsieur Robert inspiring children on bravery and overcoming adversity while also teaching them the finer skills of rock climbing.

Sunway Lagoon is a believer in creating fun and providing to those in need, as such it reached out to underprivileged children through the '12th Annual Children's Party'. Sunway Lagoon and Kiwanis Malaysia co-organised the event for more than 800 children who enjoyed a day of thrills and spills, instilling a form of therapeutic fun.

Ending the year with the spirit of giving, Sunway Lagoon treated over 5,000 children from various charity organisations to Peter Pan the Musical. The children and their minders were thoroughly entertained with the expressive, interactive and explosive song and dance numbers in the multi-park destination's very first collaboration with a West End Production.

Further north in Tambun, Perak, 288 children from selected rural

schools in Penang and Perak, experienced a truly joyful day at the Lost World of Tambun in conjunction with Merdeka.

The children, aged between 5 and 12 had an exciting time, enjoying all the rides at the Lost World of Tambun, such as the Dragon Flights, Stormrider, Giddy Galleon, Perak Parade and Adventure Express apart from getting to know the 4,000 animals consisting of 55 species at the Lost World Petting Zoo. The highlight of the day for the children was the water park and the Tiger Valley.

This memorable and educational day was organised by the Kelab Sukan Sunway (Sunway Sports Club). 200 members, consisting of staff from Sunway Group, Sunway Hotel Georgetown and students from Sunway College Ipoh had joined in as volunteers for this fun-filled day.

3 Siberian tigers jumped through a gigantic 'angpow packet' at a special occasion marking the launch of the Tiger Valley

Educational Program at Lost World of Tambun in Ipoh. On top of this, more than 40 guests including 30 children from Ipoh's Precious Gift Home Orphanage, attended the launch event which was held at the Tiger Valley, a unique breeding and preservation sanctuary nestled within the beautiful grounds of the Lost World of Tambun.

With the theme "Give. Share Love." for its year-end festive celebrations, Sunway Resort Hotel & Spa collaborated with eight children's homes to bring cheer to its young residents. The hotel, through donations of RM50 each by guests and visitors, gave away books from Book Excess and toys from Toy City to almost 300 children. Additionally, the children were hosted to a Charity Hi-Tea complete with games and activities carried out by staff of the hotel.

Providing a Healthier Lifestyle

SunMed, under the healthcare segment, promotes the SunMed Staff Health & Wellness Programme – the "Go Fit" programme. Some of the activities under "Go Fit" are a weekly yoga class (free for SunMed staff), regular tips on staying healthy and Use the Stairs campaign.

A medical camp for the Yayasan Nur Salam (Chow Kit) children was conducted at the SunMed Clinic @ Sunway Pyramid. These children had their height and weight measured, followed by a vision test, consultation with the medical officer as well as a blood test. They were also given de-worming medication.

SunMed also provided free colorectal cancer screening for the low income communities in Sentul during the awareness campaign organised by Empowered – a Cancer Advocacy Society in Malaysia.

Additionally, SunMed Specialist & Wellness Centre at Damansara Heights organised an open day and provided free medical screening and various health talks to increase awareness of healthy living. Fun activities such as face painting and clown shows were organised for the children.





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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 year under review, the Board consists of 9 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 52 to 57 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 year ended 31 December 2010 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
Dato' Ngeow Voon Yean	7/8	88
Ho Hon Sang (Appointed on 19 March 2010)	6/6*	100
Lim Swe Guan	7/8	88
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	7/8	88
Datin Paduka Low Siew Moi	8/8	100
Tan Siak Tee	8/8	100
Dato' Ng Tiong Lip (Resigned on 20 May 2010)	2/3*	67
Teo Tong How (Retired on 25 June 2010)	4/5*	80

^{*} Reflect the number of Board Meetings attended during the time the Directors held office.

DIRECTORS' TRAINING

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

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

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 2010 – "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
Datuk Razman M Hashim	 Sunway Managers' Conference 2010 – "Navigating the Changing Landscape" (Sunway Group) Financial Institutions Directors' Education Programme – 	22 May 2010 5 & 6 April 2010,
	"Developing High Impact Boards" (Bank Negara Malaysia and Perbadanan Insurans Deposit Malaysia)	3 & 4 May 2010, 14 & 15 June 2010 and 5 & 6 July 2010
	• Forensic Accounting and Fraud (RAM)	8 October 2010
Ngian Siew Siong	The Tianjin Eco-City Cleantech Focus – "Dreams and Challenges – Technology Integration in Eco-City Development" (Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd in partnership with the Cleantech Group and in collaboration with "Tianjin Binhai International Eco-City Forum")	27-29 September 2010
	Making a Difference in Sunway City Berhad (Sunway Group)	3-5 March 2010
Dato' Ngeow Voon Yean	Board Effectiveness: Redefining the Roles and Functions of an Independent Director (Bursatra Sdn Bhd)	3 December 2010

Name of Directors	Course Title / Organiser	Date
Ho Hon Sang	Mandatory Accreditation Programme for Directors of Public Listed Companies (Bursatra Sdn Bhd)	12 & 13 May 2010
	Sunway Managers' Conference 2010 – "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
	Competition Act 2010 (Sunway Group)	27 October 2010
Lim Swe Guan	Directors' Responsibilities in respect of Prospectus, Annual Report and Circulars (Singapore Institute of Directors)	12 October 2010
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	Competition Act 2010 (Bursatra Sdn Bhd)	27 October 2010
Datin Paduka Low Siew Moi	Board Effectiveness: Redefining the Roles and Functions of an Independent Director" (Bursatra Sdn Bhd)	3 December 2010
Tan Siak Tee	Talk on Managing Risks in Mortgage Financing (Bank Negara Malaysia)	13 January 2010
	The Regulatory Framework and Directors Duties 2010 – "What Directors need to know" (Malaysian Institute of Corporate Governance)	24 November 2010

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, Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim and Tan Siak Tee 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 reappointment 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, Datin Paduka Low Siew Moi 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 135 to 139 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 127 to 129 of the Annual Report.

During the financial year, the EXCO met 4 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 Datin Paduka Low Siew Moi 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 130 of the Annual Report.

During the financial year, 4 meetings were held for the following purposes:-

- (a) to endorse the appointment of Ho Hon Sang as the Company's Managing Director – Property Development, Malaysia;
- (b) to endorse the re-designation of Ngian Siew Siong as the Company's Managing Director – Property Development, International:
- (c) to endorse the re-appointment of Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim and Datuk Razman M Hashim who are over the age of 70 years, as Directors of the Company pursuant to Section 129 of the Companies Act, 1965 subject to the approval of shareholders at the Company's Annual General Meetings and at the Nomination Committee Meeting, Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim abstained from deliberating and voting on his reappointment;
- (d) to endorse the re-election of Directors retiring by rotation at the Company's Annual General Meetings, subject to the approval of shareholders;
- (e) to endorse the re-election of Ho Hon Sang 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;

- (f) to consider the appointment of Ho Hon Sang as a member of the EXCO in place of Ong Pang Yen;
- (g) to consider the appointment of Ho Hon Sang as a member of the Risk Management Committee; and
- (h) to consider the appointment of Datin Paduka Low Siew Moi as a member of the Audit Committee, Nomination Committee and Remuneration Committee in place of Teo Tong How.

4. Remuneration Committee

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

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 131 of the Annual Report.

During the financial year, 2 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 remuneration package of Ho Hon Sang who was appointed as Managing Director – Property Development, Malaysia.

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 Dato' 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 132 and 133 of the Annual Report.

During the financial year, 2 meetings were held to consider and approve the applications made by Teo Tong How and an employee to continue holding their options due to retirement as an Independent Non-Executive Director of the Company and transfer to a company which is outside the Group respectively.

6. Risk Management Committee ("RMC")

The RMC comprises Ngian Siew Siong as Chairman, Dato' Ngeow Voon Yean, Ho Hon Sang, 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 134 of the Annual Report.

During the financial year, 4 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 year are as follows:-

Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
-	166	166
-	171	171
4,820	-	4,820
2,075	-	2,075
354	-	354
7,249	337	7,586
	Directors RM'000 - - 4,820 2,075 354	Directors RM'000 Directors RM'000 - 166 - 171 4,820 - 2,075 - 354 -

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
RM350,001 to RM400,000	1	-	1
RM400,001 to RM450,000	1	-	1
RM500,001 to RM550,000	1	-	1
RM900,001 to RM950,000	2	-	2
RM4,100,001 to RM4,150,000	1	-	1
Total:	6	5	11

The details of the Directors' options over ordinary shares pursuant to the Company's ESOS for the financial year ended 31 December 2010 are set out on page 160 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 year, the Company had conducted quarterly press and analysts briefings and held 27 meetings with investors and research analysts. The Company had also participated in domestic and overseas roadshows, and investor conferences in Hong Kong.

In addition to published Annual Report and Quarterly Reports announced to Bursa Securities, the Group has established a website at **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.

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 or may also be conveyed to the following persons:-

Ms Tan Poh Chan
 Chief Financial Officer
 Tel No: (603) 5639 9668
 Fax No: (603) 5639 9559
 Email: tanpc@sunway.com.my

2. Mr Jared Tan

Senior Executive - Investor Relations

Tel No: (603) 5639 9289 Fax No: (603) 5639 9559

Email: 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 140 and 141 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 135 to 139 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 year.

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

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

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 21 April 2011.



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

Terms of Reference of Executive Committee of The Board

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.

- The EXCO shall consist of 6 members, with 1 member designated by the Government of Singapore Investment Corporation Pte Ltd ("GIC").
- 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.
- 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.
- 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.

Terms of Reference of Executive Committee of The Board (contd.)

- (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.
- (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).
- (I) 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.

Terms of Reference of Executive Committee of The Board (contd.)

- (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 nonfinancial 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.

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.
- (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.
- To introduce such regulations or guidelines, procedures to function effectively and fulfill the Committee's objective.

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.

Terms of Reference of Remuneration Committee

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.

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)
 - (iii) Share Options
 - (iv) Any other benefits
 - (v) Compensation for early termination
- (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.

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

Terms of Reference of Employees' Share Option Scheme Committee (contd.)

- (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;
- (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.

Audit Committee Report

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 year ended 31 December 2010 were as follows:-

- 1. Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim Chairman (Senior Independent Non-Executive Director)
- 2. Tan Siak Tee (Independent Non-Executive Director)
- 3. Datin Paduka Low Siew Moi (Appointed on 10 August 2010) (Independent Non-Executive Director)
- 4. Teo Tong How (Retired on 25 June 2010) (Independent Non-Executive Director)

MEETINGS AND ATTENDANCE

The Audit Committee held 6 meetings during the financial year and the details of attendance of the Committee Members are as follows:-

Name of Committee Member	Number of Meetings Attended
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	6/6
Tan Siak Tee	6/6
Datin Paduka Low Siew Moi	3/3*
Teo Tong How	3/3*

^{*} Reflect the number of Audit Committee Meetings attended during the time the Committee Members held office.

The Chief Financial Officer, Managing Directors, Internal Auditors and External Auditors were invited to the meetings held. The External Auditors were present at 3 of the total meetings held.

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:-
 - have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - 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:-
 - 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.
- 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 noncompliance 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. Meetings

- 2.1 The quorum for a Committee Meeting shall be at least2 members, the majority present must be IndependentDirectors.
- 2.2 The Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide
- 2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4 The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.

- 2.5 The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the External Auditors without the presence of the executive board members.
- 2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.7 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 2.8 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 2.9 In addition to the availability of detailed minutes of the Committee Meetings to all Board members, the Committee at each Board Meeting, will report a summary of significant matters and resolutions.

3. Rights and Authority

The Committee is authorised to:-

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

4. Functions and Duties

4.1 To review and recommend for the Board's approval, the Internal Audit Charter which defines the independent purpose, authority, scope and responsibility of the internal audit function in the Company and the Group.

- 4.2 To review the following and report to the Board:-
 - (a) With the External Auditors:-
 - the audit plan and audit report and the extent of assistance rendered by employees of the Auditee;
 - 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:-
 - the adequacy and relevance of the scope, functions, competency and resources of Internal Audit and the necessary authority to carry out its work;
 - 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:-
 - 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.
 - 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.

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.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 December 2010 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.
- (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 year (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 members.
- (f) Reviewed the financial statements, the audit report, issues and reservations arising from statutory audit with the External Auditors.

- (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 and approved the revised Review Procedure for Recurrent Related Party Transactions governing the awarding of contracts or projects in the Group, for inclusion in the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions.
- (I) Reviewed and endorsed all related party transactions entered into by the Group as well as the statements by the Audit Committee in respect of these related party transactions in the announcement to Bursa Securities and Circular to Shareholders.

- (m) 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.
- (n) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (o) 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.
- (p) Reviewed and approved the Audit Committee Report for inclusion in the Company's 2009 Annual Report.
- (q) 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 and other disclosures for inclusion in the Company's 2009 Annual Report.
- (r) Reviewed and discussed the performance of the Finance Shared Services Centre in delivering accurate accounting reports in a timely manner.

AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2010 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 year ended 31 December 2010, the Internal Audit Department carried out the following activities:-

- (a) Prepared the annual audit plan for the approval of the Audit Committee.
- (b) Regularly performed risk based audits on strategic business units of the Company and of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.
- (c) Issued audit reports to the Committee and management identifying weaknesses and issues as well as highlighting recommendations for improvements.
- (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.
- (h) Attended the Committee's meetings to table and discuss the audit reports and followed up on matters raised.
- Performed independent evaluation on the operation of risk management framework focusing primarily on the adequacy and effectiveness of the said framework.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2010 amounted to RM1,067,249.

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 142 to 145 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 operating subsidiary during the Business Plan exercise to consider the relevant strengths, weaknesses, opportunities and threats including competitor, market and broader environmental analysis.

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Statement on Internal Control (contd.)

- 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 the management.

The AC Report is set out on pages 135 to 139 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 year under review.

This Statement on Internal Control was approved by the Board of Directors on 21 April 2011.



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.

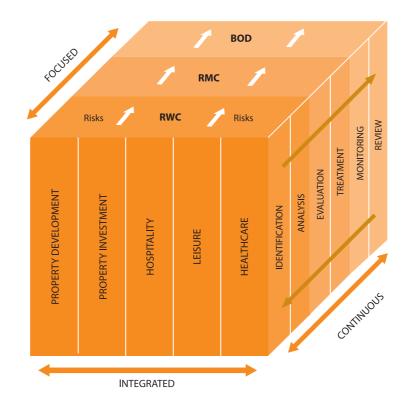
Systematically identifying and dealing with significant threats to which a company is exposed, has been a part of good corporate governance in SunCity and this has helped to prevent any significant negative impact, especially in times when the current economic scenario has a destabilising effect on corporate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



Enterprise Risk Management (contd.)

RISK MANAGEMENT FRAMEWORK AND PROCESS

The 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 the 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 (contd.)

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.

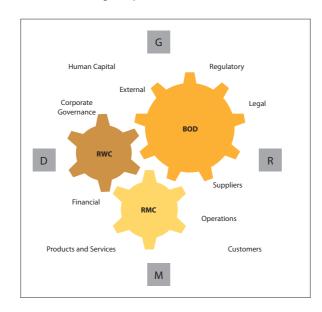
The RWC meets on a quarterly basis. The key risks identified within its areas of operation are then escalated to the Risk Management Committee.

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:-

- (a) Risk framework oversight ensuring that the risk framework is fit for the purpose and operates effectively.
- (b) 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.
- (c) 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.

Enterprise Risk Management (contd.)

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
- (i) Operations

Key Risks during the financial year ended 31 December 2010

During the last financial year, 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 year ended 31 December 2010.

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

During the financial year ended 31 December 2010, a total of 60,000 options over ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme ("ESOS"). There was no exercise of warrants and the Company did not issue any new convertible securities during the financial year.

3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2010.

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 year ended 31 December 2010.

5. NON-AUDIT FEES

The non-audit fees paid/payable to the External Auditors of the Company and its subsidiaries for the financial year ended 31 December 2010 amounted to RM435,000.

6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 31 December 2010 and the unaudited results previously announced by the Company. The Company did not release any profit estimate, forecast or projection for the financial year.

7. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 31 December 2010.

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 year ended 31 December 2010:-

- (a) Share Sale Agreement dated 27 April 2010 between the Company and Sunway Pyramid Sdn Bhd ("SPSB"), a 52% owned subsidiary of the Company for the acquisition of 10,000 ordinary shares of RM1.00 each in the capital of Sunway Parking Management Sdn Bhd ("SPM"), representing 100% equity interest in SPM ("SPM Shares") by the Company from SPSB for a total consideration of RM12.6 million comprising:-
 - (i) RM1,168,993.70 being the sale and purchase price payable for the sale of the SPM Shares; and
 - (ii) Repayment by the Company to SPSB on behalf of SPM of a sum of RM11,431,006.30 as settlement of the entire outstanding amount of all the shareholders' loan/advance owing by SPM to SPSB.
- (b) Sale and Purchase Agreement dated 7 May 2010 between the Company and SPSB for the disposal by the Company to SPSB, of 3 parcels of leasehold land in respect of Lot 32, Lot 51175 and Lot PT 1312 held under Title No. Pajakan Negeri 9495, 9500 and H.S.(D) 259957 respectively, all in the Town of Sunway, District of Petaling, State of Selangor with a total land area measuring approximately 19,406 square metres and excludes the building, namely Sunway Pyramid Shopping Mall erected upon the lands, which is owned by SPSB, for a total disposal consideration of RM41,774,000.

Additional Compliance Information (contd.)

(c) Sale and Purchase Agreements dated 26 May 2010 between the following subsidiaries of the Company and OSK Trustees Berhad ("OSK"), as Trustee for Sunway Real Estate Investment Trust ("Sunway REIT"), for the disposal of the undermentioned properties for a total disposal consideration of RM3,729,000,000, satisfied by the issuance of 1,025,143,000 units in Sunway REIT and the balance in cash, which is based on the market values of the aforesaid properties as appraised by Knight Frank (Proprietor: Ooi & Zaharin Sdn Bhd), subject to the price adjustment mechanism pursuant to which the total disposal consideration was revised to RM3,457,000,000 (hereinafter referred to as the "Disposal of Properties"):-

Name of Company	Properties
Menara Sunway Sdn Bhd	Leasehold land held under PN 17105, Lot No. 61760 in the Town of Sunway, District of Petaling, State of Selangor together with a purpose-built office development known as Menara Sunway (Phase 1) and Menara Sunway Annexe (Phase 2) erected thereon.
Sunway Hotel (Seberang Jaya) Sdn Bhd ("SHSJ")	Leasehold land held under PN 2602, Lot No. 5785, Mukim 1, District of Seberang Perai Tengah, State of Pulau Pinang together with a 17-storey highrise building together with a basement comprising a 4-star 202-room international class hotel known as "Sunway Hotel Seberang Jaya".
Sunway Carnival Sdn Bhd	Leasehold lands held under PN 1816 Lot No. 5497, PN 1817 Lot No. 5498 and PN 1818 Lot No. 5499, all in Mukim 1, District of Seberang Perai Tengah, State of Pulau Pinang together with a 5-storey building comprising a shopping complex with a multi-storey car park and convention centre known as "Sunway Carnival Shopping Mall".
SPSB	Leasehold lands under PN 17414 Lot No. 62059, H.S.(D) 233143 PT 891, PN 9495 Lot No. 32, PN 9500 Lot No. 51175 and H.S.(D) 259957 PT 1312, all in the Town of Sunway, District of Petaling, State of Selangor together with a purpose-built 4-level retail and entertainment megamall together with 6 levels of elevated and 3 levels of basement car park and a convention/exhibition hall, collectively known as "Sunway Pyramid Shopping Mall".
Sunway Resort Hotel Sdn Bhd ("SRH")	1) Leasehold lands held under PN 9492 Lot No. 35 and PN 9498 Lot No. 51173, both in the Town of Sunway, District of Petaling, State of Selangor measuring approximately 34,957 square metres together with a 5-star, 439-room international class hotel as well as the Pavillion (a food and beverage outlet) and 3 units of typical villas, collectively known as "Sunway Resort Hotel & Spa".
	2) Leasehold land held under PN 17415/M1/1/1, Parcel No. 1, Floor No. 1 Building No. M1 together with Accessory Parcel Nos. A1 to A547 (inclusive), Lot No. 62060 in the Town of Sunway, District of Petaling, State of Selangor with total strata floor area measuring approximately 33,156 square metres together with a 4-star, 549-room international class hotel known as "Pyramid Tower Hotel".
Peluang Klasik (M) Sdn Bhd	Leasehold land under PN 258216 Lot No. 331232 (formerly known as H.S.(D) 92972, PT 171440) in Mukim of Hulu Kinta, District of Kinta, State of Perak known as "SunCity Ipoh Hypermarket".
Sunway Tower 2 Sdn Bhd	Leasehold land under Geran No. 45110 Lot No. 55 Seksyen 0045 in the Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "Sunway Tower".

Additional Compliance Information (contd.)

- (d) Hotel Master Lease Agreement dated 26 May 2010 ("SRH Master Lease") between SRH, OSK and Sunway REIT Management Sdn Bhd ("SRM"), as Manager of Sunway REIT and a wholly-owned subsidiary of the Company, for the purpose of accepting the lease of the following properties for a term of 10 years from OSK:-
 - (i) Leasehold lands held under PN 9492 Lot No. 35 and PN 9498 Lot No. 51173 both in the Town of Sunway, District of Petaling, State of Selangor together with the properties erected thereon known as Sunway Resort Hotel & Spa and the Villas; and
 - (ii) Leasehold land held under strata title no. PN 17415/M1/1/1, Parcel No. 1, Floor No. 1 Building No. M1 together with Accessory Parcel Nos. A1 to A547 (inclusive), Lot No. 62060 in the Town of Sunway, District of Petaling, State of Selangor together with the property erected thereon known as Pyramid Tower.
- (e) Hotel Master Lease Agreement dated 26 May 2010 ("SHSJ Master Lease") between SHSJ, OSK and SRM for the purpose of accepting the lease of a leasehold land held under PN 2602, Lot No. 5785, Mukim 1, District of Seberang Perai Tengah, State of Pulau Pinang together with a 17-storey highrise building together with a basement comprising a 4-star 202-room international class hotel known as "Sunway Hotel Seberang Jaya" for a term of 10 years from OSK.

- (f) Second Supplemental Agreement dated 9 June 2010 between SunCity Vietnam Sdn Bhd, a wholly-owned subsidiary of the Company with Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited, both subsidiaries of Sunway Holdings Berhad for the purpose of amending, varying and supplementing the Sale and Purchase Agreement dated 9 June 2009 for the extension of the conditions fulfillment period for another 2 months to expire on 9 August 2010.
- (g) Share Sale Agreement dated 12 July 2010 between the Company and SPSB for the acquisition of 2 ordinary shares of RM1.00 each in the capital of Mega Capacity Sdn Bhd, representing 100% equity interest in Mega Capacity Sdn Bhd for a total cash consideration of RM2.8 million.
- (h) Share Sale Agreement dated 12 July 2010 between the Company and Reco Pyramid (M) Sdn Bhd for the acquisition of 48 million ordinary shares of RM1.00 each in the capital of SPSB, representing 48% equity interest in SPSB for a total consideration, which is the equivalent of 48% of the net tangible assets of SPSB as reflected in the management accounts of SPSB after the completion events, which is approximately RM480,000.
- (i) Share Sale Agreement dated 12 July 2010 between the Company and Reco Resort Hotel (M) Sdn Bhd for the acquisition of 9.6 million ordinary shares of RM1.00 each in the capital of SRH, representing 48% equity interest in SRH for a total cash consideration of RM12.144 million, subject to post-closing working capital adjustment.

Relationship of Related Parties for items (a), (b), (g) and (h) above

The Company holds 52% of the issued and paid-up share capital of SPSB. The remaining 48% shareholding in SPSB is held by Reco Pyramid (M) Sdn Bhd, an affiliate of Government of Singapore Investment Corporation Pte Ltd ("GIC"), which is a major shareholder of the Company holding approximately 21% of the issued and paid-up share capital of the Company. Lim Swe Guan is a Director of the Company nominated by GIC.

Relationship of Related Parties for item (c) above

SPSB is the vendor in the sale of Sunway Pyramid Shopping Mall to Sunway REIT and SRH is the vendor in the sale of Sunway Resort Hotel & Spa and Pyramid Tower Hotel to Sunway REIT. The Company holds 52% of the issued and paid-up share capital of each of SPSB and SRH. The remaining 48% shareholding in each of SPSB and SRH is held by Reco Pyramid (M) Sdn Bhd and Reco Resort Hotel (M) Sdn Bhd respectively, both of which are affiliates of GIC, which is a major shareholder of the Company holding approximately 21% of the issued and paid-up share capital of the Company. Based on the above, GIC is deemed interested in the disposal of Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa and Pyramid Tower Hotel. As all the 8 transactions within the Disposal of Properties are inter-conditional, GIC is deemed interested in the Disposal of Properties, Lim Swe Guan is a Director of the Company nominated by GIC.

Additional Compliance Information (contd.)

Relationship of Related Parties for items (d) and (e) above

SRH is the lessee of Sunway Resort Hotel & Spa and Pyramid Tower Hotel pursuant to the SRH Master Lease. GIC is deemed interested in the SRH Master Lease as a result of its indirect interest in SRM and Reco Resort Hotel (M) Sdn Bhd, its affiliate (thereby having a deemed interest of 48% equity interest in SRH).

GIC is also deemed interested in the SHSJ Master Lease as the SHSJ Master Lease is conditional upon the completion of the Disposal of Properties of which GIC is deemed interested. Lim Swe Guan is a Director of the Company nominated by GIC.

Relationship of Related Parties for item (f) above

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director and Major Shareholder of the Company and Sunway Holdings Berhad. He has deemed interest in SunCity Vietnam Sdn Bhd via the Company. He also has deemed interest in Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited via Sunway Holdings Berhad.

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 Berhad. They have deemed interests in SunCity Vietnam Sdn Bhd via the Company. They also have deemed interests in Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited via Sunway Holdings Berhad.

Evan Cheah Yean Shin, being the child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, is a Major Shareholder of Sunway Holdings Berhad. He has deemed interest in Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited via Sunway Holdings Berhad.

Sungei Way Corporation Sdn Bhd, Timah Dunia Dredging Sdn Bhd and Active Equity Sdn Bhd are Major Shareholders of the Company and Sunway Holdings Berhad. They have deemed interests in SunCity Vietnam via the Company. They also have deemed interests in Sunway Holdings Vietnam and Sunway Property via Sunway Holdings Berhad.

Relationship of Related Parties for item (i) above

The Company holds 52% of the issued and paid-up share capital of SRH. The remaining 48% shareholding in SRH is held by Reco Resort Hotel (M) Sdn Bhd, an affiliate of GIC, which is a major shareholder of the Company holding approximately 21% of the issued and paid-up share capital of the Company. Lim Swe Guan is a Director of the Company nominated by GIC.

9. REVALUATION POLICY ON LANDED PROPERTIES

Details on the revaluation of Investment Properties are disclosed under Note 2.9 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 year ended 31 December 2010.

11. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year ended 31 December 2010.

Investor Relations



Investor Relations Framework

The Investor Relations Framework showcased the long standing commitment of SunCity in promoting transparency, accountability and 2-way communication through various channels in communicating with the stakeholders. As a result, SunCity adopts the Main Market Listing Requirements of Bursa Malaysia and Malaysian Code on Corporate Governance as well as other international best practices to maintain its corporate governance practices.

As recognition to SunCity's good corporate governance practices, SunCity was awarded the Malaysian Corporate Governance ("MCG") Index 2010 for Industry Excellence Award in the Properties category. The annual MCG Index is organised by the Minority Shareholder Watchdog Group (MSWG) to create

awareness and to give recognition for the best corporate governance practices among public listed companies in Malaysia. Aligned with the Group's commitment to adopt best practices in corporate governance, the MCG Index Industry Excellence Award has reaffirmed SunCity's dedication in its approach.

Greater emphasis has also been given to exceed statutory disclosure requirements in disseminating transparent, comprehensive and readily accessible information to its stakeholders through various channels including investor roadshows, conferences, one-on-one/group discussions, annual report, Bursa quarterly reports, press releases and the corporate website.



Annual Report 2006 Creating Dreams, Delivering Promises, Transforming Lives



Annual Report 2007 Evolving Beyond



Annual Report 2008 Global Metamorphosis



Annual Report 2009 Delivering Values

Excellence in Annual Corporate Reporting

SunCity recognises that annual report provides a key avenue to keep its shareholders and investors updated with the company's business and strategic directions by providing information on its annual performance, long-term objectives, its strategic plans for growth and corporate responsibility programme. As such, the annual report remains one of SunCity's main communication channels for investors to gain further insights into SunCity's corporate affairs and latest financial performances. The awarding of the National Annual Corporate Report Awards ("NACRA") for 4 consecutive years in a row (2007 to 2010); retaining the position in the Industry Excellence Awards for Properties, Hotel and Trusts Industry category is a recognition of SunCity's commitment to promote accountability, transparency and open investor communication.

Reaching Out to Investing Community

Apart from the annual report, SunCity also regularly keeps the investing community updated with the company's latest activities by conducting Investor Relations Meetings and site visits for analysts and fund managers. In addition, SunCity also participated in various non-deal roadshows and investor conferences in order to engage a greater crowd of investing community. These activities served as additional channels to effectively communicate SunCity's business strategies, project developments and financial performance to the local investing community.

In year 2010, SunCity was invited to be one of the corporate participants for Invest Malaysia 2010. Invest Malaysia is a conference organised annually by Bursa Malaysia to provide a platform for investors to explore, expand and broaden investment opportunities into Malaysia. Invest Malaysia 2010 was in its 6th year and had the theme "Powering Global Excellence". During the conference, SunCity was invited to give a corporate presentation in the conference entitled "Expanding Frontiers" which showcased SunCity's journey in its regionalisation expansion through the 5Ps strategies namely Place, Partner, People, Perception and Processes.

Investor Relations



Mr Ngian Siew Siong, Managing Director - Property Development, International giving corporate presentation titled "Expanding Frontiers" at Invest Malaysia 2010.

SunCity was also invited to attend the Asia Investment Conference 2010 in Hong Kong organised by Credit Suisse. The conference served as the most important event on the regional investment calendar especially for investors in Asian companies as the conference was attended by more than 250 companies from all over Asia including Australia and Japan in 2010. The conference also welcomed more than 1,400 fund managers from Asia, North America and Europe to meet these companies through a series of one-on-one meetings and company presentations.

These sessions promote a proactive two-way and transparent communication channel with both the local and foreign investing community. It also allow SunCity to meet and understand investors' insights and perspectives, as well as attract, retain and strengthen our investor base. SunCity has met a total of 133 investors and analysts during the financial year.

Investor Relations Activities	No.
Investor Relations Meetings/Analyst Briefings	21
Investor Conferences/Roadshows	3
Site Visits	3
Total Investor Relation Activities	27
Investing Community	No.
Local Investors/Analysts	105
Foreign Investors/Analysts	28
Total Investors/Analysts	133

Corporate Website

To further enhance the accessibility for shareholders and investors to SunCity's latest development and financial performances, the company maintains an investor relations website which can be found on the corporate website at www.sunwaycity.com. The investor relations website is regularly updated with information on corporate news, quarterly financial information, regular company announcements to Bursa Malaysia, the latest annual report as well as press releases. Several user friendly functions are also embedded into the website including SunCity's Investment Case, Quarterly Financial Analysis and Key Ratio Analysis.



Analyst Briefing on merger of SunCity & Sunway Holdings Berhad

Strengthening Relationship with Research Institutions and Analysts

Aligned with SunCity's commitment to advocate good corporate governance practices, SunCity recognises the importance of maintaining a close working relationship with the research institutions and analysts. To date, there are 11 research institutions which maintain coverage on SunCity.

The table showcases the complete list of research institutions covering SunCity and their recommendations as at November 2010.

SunCity will continue its effort to maintain its best corporate governance practices and investor relations programmes through its Investor Relations Framework in ensuring transparency, accountability and 2-way communication to all its stakeholders.

Research Institutions	As at November 2010 Recommendation
Affin Investment Bank	Buy
CIMB Investment Bank	Buy
ECM Libra	Buy
Hong Leong Investment Bank	Buy
HwangDBS Vickers Research	Buy
JF Apex Securities	Buy
KAF Seagroatt & Campbell	Buy
Maybank Investment Bank	Buy
Inter Pacific	Outperform
RHB Research	Outperform
AmResearch	Hold

Any recommendations or opinions regarding SunCity's performance do not represent recommendations or opinions of SunCity or its management.

Investor Relations Calendar for the financial year ended 31 December 2010 ("FYE2010")

1st Quarter FYE2010 (Jan-Mar 2010)

- 6th Quarter financial period ended 2009 results announcement
- RHB Research Corporate Day Group Meeting
- Invest Malaysia 2010
- Invest Malaysia 2010 Site Visit
- Asia Investment Conference 2010

2nd Quarter FYE2010 (Apr-Jun 2010)

• 1st Quarter FYE2010 results announcement

3rd Quarter FYE2010 (Jul-Sep 2010)

2nd Quarter FYE2010 results announcement

4th Quarter FYE2010 (Oct-Dec 2010)

- 3rd Quarter FYE2010 results announcement
- Analyst Briefing on merger of SunCity & Sunway Holdings Berhad
- Maybank Investment Bank Site Visit
- Citigroup Site Visit





Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

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;
- (vi) time sharing businesses; and
- (vii) management of real estate investment fund.

There have been no significant changes in the nature of the principal activities during the financial year except for the additional activity which is the management of real estate investment fund upon the successful listing of Sunway Real Estate Investment Trust ("Sunway REIT") on Bursa Malaysia Securities Berhad on 8 July 2010.

Results

Discontinued operations	Group RM'000	Company RM'000
Profit net of tax	837,927	1,284,959
Profit attributable to:		
Owners of the parent	542,005	1,284,959
Minority interests	295,922	-
	837,927	1,284,959

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

Results (contd.)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the changes in accounting policies due to the adoption of FRS 139 *Financial Instruments: Recognition and Measurement* which has resulted in a decrease in the Group's profit net of tax by RM3,245,000 and an increase in the Company's profit net of tax by RM13,356,000 respectively as disclosed in Note 2.2(e) to the financial statements.

In addition, in view of the acceptance of the offer to acquire all of the business and undertaking of the Company including all Assets and Liabilities of the Company by Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) on 14 December 2010, the Group and the Company have adopted the presentation and disclosure pursuant to FRS 5: Non-current Assets (And Disposal Group) Held for Sale ("FRS 5"). Further details and explanation on the presentation and disclosure are disclosed in Note 31 to the financial statements.

Dividends

The amounts of dividends paid by the Company since 31 December 2009 were as follows:

	RM'000
In respect of the financial period ended 31 December 2009 as reported in the directors' report of that period:	
Final dividend of 5% less 25% taxation on 469,951,432 ordinary shares declared on 31 May 2010 and paid on 22 September 2010.	17,623
In respect of the financial year ended 31 December 2010:	
Interim dividend of 31% less 25% taxation on 470,001,432 ordinary shares declared on 23 August 2010 and paid on 7 October 2010.	109,276
	126,899

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
Dato' Ngeow Voon Yean
Datin Paduka Low Siew Moi
Teo Tong How (retired on 25 June 2010)
Tan Siak Tee
Lim Swe Guan
Dato' Ng Tiong Lip (resigned on 20 May 2010)
Ho Hon Sang

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.

Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim, Datuk Razman M Hashim and Tan Siak Tee, 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.

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted under the Employees' Share Option Scheme.

Directors' benefits (contd.)

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the directors has a substantial financial interest, except 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 50 to the financial statements.

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, options over ordinary shares and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM1 each				
	1.1.2010	Acquired	Sold	31.12.2010	
The Company					
Direct interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, A0	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	
Dato' Ngeow Voon Yean	300,000	-	-	300,000	
Indirect interest:					
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, A0	192,473,117	-	-	192,473,117	
Ngian Siew Siong	-	42,600	-	42,600	

Directors' benefits (contd.)

	Number of options over ordinary shares of RM1 each				
	1.1.2010	Granted	Exercised	31.12.2010	
The Company					
Tan Sri Dato' Ir. Talha Bin					
Haji Mohd Hashim	50,000	-	-	50,000	
Datin Paduka Low Siew Moi	50,000	-	-	50,000	
Tan Siak Tee	50,000	-	-	50,000	
		Number of warrants	2007/2017		
	1.1.2010	Acquired	Sold	31.12.2010	
The Company					
Direct interest:					
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	
Dato' Ngeow Voon Yean	100,000	-	-	100,000	
Indirect interest:					
Tan Sri Dato' Seri Dr. Jeffrey					
Cheah Fook Ling, AO	67,195,939	-	-	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 year had any interests in shares, options over ordinary shares and warrants in the Company or its related corporations during the financial year.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM469,951,432 to RM470,011,432 by way of the issuance of 60,000 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.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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 year, there was no exercise of warrants.

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;

Employees' share option scheme (contd.)

The main features of the Scheme are:

- 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.

The movement in the options to take up unissued new ordinary shares of RM1 each during the financial year was as follows:

	Number of options over ordinary shares of RM1 each
At 1 January 2010	2,514,500
Movement during the financial year:	
- forfeited	(265,000)
- exercised	(60,000)
At 31 December 2010	2,189,500

Employees' share option scheme (contd.)

At the end of the financial year, the unissued shares under option were as follows:

	Number of options over ordinary shares of RM1 each	Exercise price RM
First offer	11,000	1.00
Second offer	-	1.00
Third offer	-	2.00
Fourth offer	2,142,250	4.82
Fifth offer	36,250	3.00
	2,189,500	

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 50,000 ordinary shares and above, which is as follows:

	Number of options over ordinary shares of RM1 each				
	1.1.2010	Granted	Exercised	31.12.2010	
Koong Wai Seng *	150,000	-	-	150,000	
Hanley Chew	75,000	-	-	75,000	
Woo Chee Khoon	75,000	-	-	75,000	
Tan Gar Peng	50,000	-	-	50,000	
Sin Tong Joo	50,000	-	-	50,000	
Yap Chin Hua	50,000	-	-	50,000	
Ho Ch'an Hin	50,000	-	-	50,000	
Teo Tong How **	50,000	-	-	50,000	

Note: * The Employees' Share Option 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.

^{**} The Employees' Share Option Scheme Committee had approved the application by Teo Tong How to continue holding his unexercised options under the Scheme upon his retirement as Independent Non-Executive Director of the Company on 25 June 2010.

Other statutory information

- a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
 - 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 does not exist:
 - i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- f) In the opinion of the directors:
 - no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due: and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events during the financial year

Significant events during the financial year are disclosed in Note 55 to the financial statements.

Subsequent Event

Subsequent event is disclosed in Note 56 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 21 April 2011.

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 171 to 342 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and their financial performance and cash flows for the year then ended.

The information set out in Note 58 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 21 April 2011.

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 171 to 343 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 21 April 2011

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

Report on the financial statements

We have audited the financial statements of Sunway City Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 171 to 342.

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.

Independent Auditors' Report to the Members of Sunway City Berhad (contd.)

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 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

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 51 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Independent Auditors' Report to the Members of Sunway City Berhad (contd.)

Other matters

The supplementary information set out in Note 58 on page 343 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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 21 April 2011 Kua Choo Kai

No. 2030/03/12(J)
Chartered Accountant

Income Statements for the financial year ended 31 December 2010

		Group		Company	
	Note	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations					
Revenue	4	1,106,608	1,600,967	1,359,258	136,833
Cost of sales	5	(469,014)	(596,393)	(8,485)	(24,959
Gross profit		637,594	1,004,574	1,350,773	111,874
Other income	6	262,341	801,206	125,368	49,030
Administrative expenses		(199,266)	(271,120)	(15,086)	(200,213)
Selling and marketing expenses		(44,481)	(61,283)	(2,078)	(1,983
Other expenses		(200,211)	(284,944)	(102,531)	(49,028
Operating profit/(loss)		455,977	1,188,433	1,356,446	(90,320
Finance costs	7	(65,345)	(104,780)	(32,296)	(65,898)
Share of results of associates		97,563	8,094	-	-
Share of results of jointly controlled entities		32,150	49,660	-	-
Profit/(loss) before tax	8	520,345	1,141,407	1,324,150	(156,218
Income tax expense	11	317,582	(275,527)	(39,191)	(19,009
Profit/(loss) net of tax		837,927	865,880	1,284,959	(175,227
Attributable to:					
Equity holders of the Company		542,005	537,908	1,284,959	(175,227
Minority interests		295,922	327,972	-	-
		837,927	865,880	1,284,959	(175,227
Earnings per share attributable to equity holders of the Company (sen):					
Basic	12	115.32	114.46		
Diluted	12	115.31	114.45		

Statements of Comprehensive Income for the financial year ended 31 December 2010

	Gre	oup	Com	pany
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Profit/(loss) net of tax Other comprehensive income:	837,927	865,880	1,284,959	(175,227)
Foreign currency translation differences for foreign operations	(5,275)	4,620	-	-
Other comprehensive (loss)/income for the year/period net of tax	(5,275)	4,620	-	-
Total comprehensive income/(loss) for the year/period	832,652	870,500	1,284,959	(175,227)
Total comprehensive income attributable to:				
Equity holders of the Company	537,144	540,438	1,284,959	(175,227)
Minority interests	295,508	330,062	-	-
	832,652	870,500	1,284,959	(175,227)

Statements of Financial Position as at 31 December 2010

			Group			Company	
	Note	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)
Assets							
Non-current assets							
Property, plant and equipment	14	-	890,904	384,891	-	7,270	7,915
Biological assets	15	-	532	763	-	-	-
Investment properties	16	-	3,207,367	429,469	-	91,189	82,088
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 receivables	27	-	67,588	67,588	-	67,588	67,588
Amounts due from subsidiaries	19	-	-	-	-	199,442	199,442
Amounts due from jointly controlled entities	29	-	12,000	-	-	12,000	-
Other investments	23	-	16,895	-	-	10,853	-
		-	4,797,024	1,393,982	-	1,017,211	909,441

Statements of Financial Position as at 31 December 2010 (contd.)

			Group			Company	
	Note	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)
Assets (contd.)							
Current assets							
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	-	67,669	72,050	-	17,390	40,319
Amounts due from associates	28	-	-	-	-	-	6
Amounts due from jointly controlled entities	29	-	96,620	41,880	-	96,615	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
		-	1,368,258	1,285,609	-	898,723	1,194,034
Non-current assets classified as held for sale	31a	-	-	2,537,358	-	-	-
Assets of disposal group classified as held for sale	31b	4,564,806	-	-	2,666,942	-	-
		4,564,806	1,368,258	3,822,967	2,666,942	898,723	1,194,034
Total assets		4,564,806	6,165,282	5,216,949	2,666,942	1,915,934	2,103,475

Statements of Financial Position as at 31 December 2010 (contd.)

			Group			Company	
	Note	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)
Equity and liabilities							
Current liabilities							
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
Net current assets/(liabilities)		-	28,824	(1,931)	-	(180,012)	666,487
Liabilities of disposal group classified as held for sale	31b	1,710,178	-	-	720,623	-	-
Non-current liabilities							
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
Total liabilities		1,710,178	2,996,645	2,839,091	720,623	1,088,189	1,054,835
Net assets		2,854,628	3,168,637	2,377,858	1,946,319	827,745	1,048,640

Statements of Financial Position as at 31 December 2010 (contd.)

			Group			Company	
	Note	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)
Equity attributable to equity holders							
of the Company							
Share capital	41	470,012	469,952	469,919	470,012	469,952	469,919
Warrants	42	22,995	22,995	23,000	22,995	22,995	23,000
Share premium	43	308,857	308,857	308,733	308,857	308,857	308,733
Reserves	44	1,660,172	1,370,532	880,129	1,144,455	25,941	246,988
Reserve of disposal group classified							
as held for sale	31b	134,514	-	-	-	-	-
		2,596,550	2,172,336	1,681,781	1,946,319	827,745	1,048,640
Minority interests	45	258,078	996,301	696,077	-	-	-
Total equity		2,854,628	3,168,637	2,377,858	1,946,319	827,745	1,048,640
Total equity and liabilities		4,564,806	6,165,282	5,216,949	2,666,942	1,915,934	2,103,475

Statements of Changes in Equity for the financial year ended 31 December 2010

					Attributab	e to owners	of the parent					-		
		1			No	n-distributa	able				+			
2010	Note	Share capital (Note 41) RM'000	Warrants (Note 42) RM'000	Share premium (Note 43) RM'000	Fair value adjustment reserve (Note 44) RM'000	Capital reserve (Note 44) RM'000	Foreign currency translation reserve (Note 44) RM'000	Share option reserve (Note 44) RM'000	Other reserves, total (Note 44) RM'000	Reserve of disposal group classified as held for sale (Note 31b) RM'000	Distributable Retained earnings (Note 44) RM'000	Equity attributable to owners of the parent, total	Minority interests RM'000	Equity, total RM'000
Group														
At 1 January 2010 Effects of FRS 139		469,952	22,995	308,857	- 49,967	73,960	14,233	3,358	91,551 49,967	-	1,278,981 (35,932)	2,172,336 14,035	996,301 20,189	3,168,637 34,224
Transfer to/(from) reserves Total comprehensive income		469,952 -	22,995	308,857	49,967 -	73,960 1,215	14,233 - (4,861)	3,358 - -	141,518 1,215 (4,861)	-	1,243,049 (1,215) 542,005	2,186,371 - 537,144	1,016,490 - 295,508	3,202,861 - 832,652
Total recognised income and expense for the year		-	-	-	-	1,215	(4,861)	-	(3,646)	-	540,790	537,144	295,508	832,652
Transactions with owners Issue of ordinary shares:														
- pursuant to ESOS - new issue of shares by		60	-	-	-	-	-	-	-	-	-	60	-	60
subsidiary Dividends	13	-	-	-	-	-	-	-	-	-	- (126,899)	(126,899)	9,865	9,865 (126,899)
Dividends declared by subsidiaries Minority interest arising from newly incorporated entity Dilution of equity interest in a subsidiary		-	-	-	- - -	-	- - -	-	- - -	-	- (126)	- (126)	(930,087)	(930,087) 100 (126)
Redemption of preference shares in a subsidiary Reserve attributable to		-	-	-	-	-	-	-	-	-	-	-	(129,177)	(129,177)
discontinued operations and reserve classified as held for sale Acquisition of minority interests	31b	-	-	-	(49,967) -	(75,175)	(9,372)	-	(134,514)	134,514	-	-	- (4,621)	- (4,621)
Total transactions with owners At 31 December 2010		60 470,012	- 22,995	308,857	(49,967) -	(75,175) -	(9,372)	3,358	(134,514) 3,358	134,514 134,514	(127,025) 1,656,814	(126,965) 2,596,550	(1,053,920) 258,078	(1,180,885) 2,854,628

Statements of Changes in Equity for the financial year ended 31 December 2010 (contd.)

				Attributab	le to owner	s of the parent						
					Non-di	stributable —						
2009	Note	Share capital (Note 41) RM'000	Warrants (Note 42) RM'000	Share premium (Note 43) RM'000	Capital reserve (Note 44) RM'000	Foreign currency translation reserve (Note 44) RM'000	Share option reserve (Note 44) RM'000	Other reserves, total (Note 44) RM'000	Distributable Retained earnings (Note 44) RM'000	Equity attributable to owners of the parent, total RM'000	Minority interests RM'000	Equity tota RM'000
Group												
At 1 July 2008		469,919	23,000	308,733	26,918	11,703	3,358	41,979	838,150	1,681,781	696,077	2,377,858
Transfer to/(from) reserves Total comprehensive income		-	-	-	47,042 -	- 2,530	-	47,042 2,530	(47,042) 537,908	- 540,438	- 330,062	- 870,500
Total recognised income and expense for the period		-	-	-	47,042	2,530	-	49,572	490,866	540,438	330,062	870,500
Transactions with owners												
Issue of ordinary shares: - pursuant to ESOS		2	-	-	-	-	-	-	-	2	-	2
- pursuant to exercise warrants		31	(5)	124	-	-	-	-	-	150	-	150
Increase in equity in a subsidiary Dividends Dividends declared by subsidiaries	13	-	-	-	-	-	- - -	- - -	(45,820) -	(45,820)	25,343 - (31,458)	25,343 (45,820 (31,458
Dividends paid to a minority shareholder Dilution of equity interest in a subsidiary		-	-	-	-	-	-	-	(3,920) (295)	(3,920) (295)	295	(3,920
Redemption of preference shares in a subsidiary		-	-	-	-	-	-	-	-	-	(24,014)	(24,01
Disposal of a subsidiary Total transactions with owners		33	(5)	124	-	-	-	-	(50,035)	(49,883)	(4) (29,838)	(79,721
At 31 December 2009		469,952	22,995	308,857	73,960	14,233	3,358	91,551	1,278,981	2,172,336	996,301	3,168,637

Statements of Changes in Equity for the financial year ended 31 December 2010 (contd.)

			No	n-distributable —	-		
2009 / 2010	Note	Share capital (Note 41) RM'000	Warrants (Note 42) RM'000	Share premium (Note 43) RM'000	Share option reserve (Note 44) RM'000	Distributable Retained earnings (Note 44) RM'000	Equity, total RM'000
Company							
At 1 January 2009		469,919	23,000	308,733	3,358	243,630	1,048,640
Total comprehensive income		-	-	-	-	(175,227)	(175,227)
Issue of ordinary shares:							
- pursuant to ESOS		2	-	-	-	-	2
- pursuant to exercise of warrants		31	(5)	124	-	-	150
Dividends	13	-	-	-	-	(45,820)	(45,820)
As at 31 December 2009		469,952	22,995	308,857	3,358	22,583	827,745
Effects of FRS 139		-	-	-	-	(39,546)	(39,546)
		469,952	22,995	308,857	3,358	(16,963)	788,199
Total comprehensive income		-	-	-	-	1,284,959	1,284,959
Transactions with owners							
Issue of ordinary shares:							
- pursuant to ESOS		60	-	-	-	-	60
Dividends on ordinary shares	13	-	-	-	-	(126,899)	(126,899)
Total transactions with owners		60	-	-	-	(126,899)	(126,839)
As at 31 December 2010		470,012	22,995	308,857	3,358	1,141,097	1,946,319

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

Statements of Cash Flows for the financial year ended 31 December 2010

	Gro	oup	Com	pany
	1.1.2010 to	1.7.2008 to	1.1.2010 to	1.7.2008 to
Discontinued operations	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Cash flows from operating activities				
Receipts from customers	1,070,687	1,705,778	57,144	40,339
Payment to suppliers and contractors	(531,003)	(716,694)	(3,155)	(27,225)
Payment of operating expenses	(328,331)	(497,600)	(66,637)	(75,986)
Interest received				
- subsidiaries	-	-	20,778	38,976
- deposits with licensed financial institutions	10,345	6,520	665	256
- others	8,248	11,193	1,846	1,463
Dividends received				
- subsidiaries	-	-	1,205,541	46,990
- jointly controlled entity	45,000	26,314	45,000	26,314
- associate	14,797	-	13,600	-
Cash generated from operations	289,743	535,511	1,274,782	51,127
Taxes refunded	4,710	3,070	-	3,070
Taxes paid	(92,695)	(54,669)	(11,001)	-
Net cash generated from				
operating activities	201,758	483,912	1,263,781	54,197

Statements of Cash Flows for the financial year ended 31 December 2010 (contd.)

	Gro	oup	Compa	any
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,098	526	174	-
Proceeds from disposal of investment properties	-	1,360	-	-
Proceeds from disposal of investment in a subsidiary	_	7	-	7
Consideration from disposal of non-current				
assets classified as held for sale	3,456,746	-	-	-
Deposit paid on acquisition of property, plant and equipment	-	(6,267)	-	-
Deposit paid on acquisition of a subsidiary	-	-	(2,516)	-
Deposit paid on acquisition of land	(20,000)	-	-	-
Acquisition of land	(51,215)	(52,785)	-	-
Acquisition of property, plant and equipment (Note a)	(84,942)	(111,480)	(3,077)	(1,321)
Acquisition of biological assets	(78)	(237)	-	-
Acquisition and additional investment in subsidiaries	(250,481)	-	(192,647)	(83,518)
Acquisition and subsequent expenditure of investment properties	(69,040)	(67,301)	-	(720)
Partial repayment of balance consideration for the acquisition				
of land in previous financial year	-	(11,342)	-	-
Full repayment of balance consideration for the acquisition				
of investment properties in previous financial period/year	(17,889)	(22,543)	-	-
Investment in preference shares issued by subsidiaries	-	-	(2,479)	(201,778)
Investment in a jointly controlled entity	(15,402)	(40,937)	-	(40,937)
Investment in an associate	(882,429)	(4,026)	(882,429)	-
Investment in unquoted preference shares	-	(10,853)	-	(10,853)
Other investments	(20)	(6,043)	-	-
Net cash generated from/(used in) investing activities carried forward	2,067,348	(331,921)	(1,082,974)	(339,120)

Statements of Cash Flows for the financial year ended 31 December 2010 (contd.)

	Group		Company	
	1.1.2010	1.7.2008	1.1.2010	1.7.2008
	to	to	to	to
Discontinued operations	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Cash flows from investing activities (contd.)				
Net cash generated from/(used in) investing activities brought forward	2,067,348	(331,921)	(1,082,974)	(339,120
Redemption of preference shares in subsidiaries	-	-	158,692	93,186
Redemption of preference shares in a jointly controlled entity	-	3,456	-	3,456
Repayment from subsidiaries	-	-	245,406	513,640
Advances (to)/from associates	(2,756)	(6,022)	2,405	(6,01)
Advances to joint venture partners	-	(21,101)	-	(21,10
Advances to jointly controlled entities	(31,099)	(66,740)	(31,099)	(67,36
Net cash generated from/(used in) investing activities	2,033,493	(422,328)	(707,570)	176,67
Cash flows from financing activities				
Drawdown of term loans	199,752	486,291	33,834	158,80
Drawdown of revolving credits	269,974	100,000	269,974	98,00
Repayment of term loans	(818,298)	(147,810)	(230,809)	(38,00
Repayment of revolving credits	(152,474)	(67,500)	(152,474)	(67,50
Repayment of bonds	(196,233)	(41,511)	(196,233)	(41,51
Repayment of commercial papers and medium term notes	(84,984)	(270,000)	(84,984)	(270,00
Repayment of hire purchase and lease financing	(4,908)	(8,206)	(369)	(71
Interest paid	(67,526)	(107,084)	(32,276)	(65,07
Repayment to minority shareholders of subsidiaries	(96,330)	(3,567)	-	
Redemption of preference shares held by minority				
shareholders of subsidiaries	(136,319)	(68,509)	-	
Issuance of ordinary shares to minority shareholders of subsidiaries	-	25,343	-	
Issuance of ordinary shares pursuant to				
Employees' Share Option Scheme	60	2	60	
Net cash used in financing activities carried forward	(1,087,286)	(102,551)	(393,277)	(225,99

Statements of Cash Flows for the financial year ended 31 December 2010 (contd.)

	Gro	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Cash flows from financing activities (contd.)				
Net cash used in financing activities brought forward Issuance of ordinary shares pursuant to exercise of warrants Dividends paid to shareholders of the Company Dividends paid to minority shareholders of subsidiaries Net cash used in financing activities Net increase/(decrease) in cash and cash equivalents Effects of foreign exchange rates changes Cash and cash equivalents at beginning of financial year/period	(1,087,286) - (126,899) (937,287) (2,151,472) 83,779 (2,069) 430,358	(102,551) 150 (45,820) (32,124) (180,345) (118,761) 5,191	(393,277) - (126,899) - (520,176) 36,035 - 39,612	(225,997) 150 (45,820) - (271,667) (40,791) - 80,403
Cash and cash equivalents at end of financial year/period (Note 30)	512,068	430,358	75,647	39,612
Note a:				
Additions of property, plant and equipment Additions via hire purchase and finance lease arrangements	99,962 (15,020)	132,752 (23,699)	3,077	1,321 -
Additions via cash Payment for property, plant and equipment acquired via deferred payment in prior years	84,942	109,053 2,427	3,077	1,321 -
Cash outflow for acquisition of property, plant and equipment	84,942	111,480	3,077	1,321

The accompanying notes form an integral part of the financial statements.

1. Corporate information

Sunway City Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The 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;
- (vi) time sharing businesses; and
- (vii) management of real estate investment fund.

There have been no significant changes in the nature of the principal activities during the financial year except for the additional activity which is the management of real estate investment fund upon the successful listing of Sunway REIT on Bursa Malaysia Securities Berhad on 8 July 2010.

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 21 April 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

2. Summary of significant accounting policies (contd.)

2.1 Basis of preparation (contd.)

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. In addition, pursuant to the offer to acquire all of the business and undertaking of the Company including all Assets and Liabilities of the Company by Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) ("SSB") on 24 November 2010 (the "Offer") and the subsequent decision to accept the Offer by the non-interested Directors of the Company on 14 December 2010 as disclosed in Note 55, the criteria to be classified as held for sale under FRS 5: Non-current Assets (And Disposal Group) Held for Sale ("FRS 5") is regarded as met. Accordingly, all assets, liabilities and related reserves of the Group and the Company have been classified and presented on the statements of financial position as at 31 December 2010 as disposal group held for sale in accordance with FRS 5. The entire results of the Group and of the Company for the current financial year ended 31 December 2010 and the comparative financial period ended 31 December 2009 have also been presented on the income statements and statements of comprehensive income as "Discontinued Operations". The above transaction has yet to be completed as at the date on which the financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue by the board of directors.

The accounting policies for non-current assets (and disposal group) held for sale and discontinued operations are set out in Notes 2.32 and 2.33 respectively.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment Vesting Conditions and Cancellations
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- . Amendments to FRS 8 Operating Segments
- Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to FRS 117 Leases
- Amendments to FRS 119 Employee Benefits
- Amendments to FRS 123 Borrowing Costs
- Amendments to FRS 128 Investments in Associates
- Amendments to FRS 131 Interests in Joint Ventures
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 138 Intangible Assets
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Amendments to FRS 140 Investment Property
- Improvements to FRS issued in 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

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Company.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

(a) FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

(b) FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 54.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(c) FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as two linked statements.

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 classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 53).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

(d) Amendments to FRS 117 Leases

Amendment to FRS 117 clarifies on the classification of leases of land and buildings. Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. Accordingly, the Group has reclassified its leasehold land to property, plant and equipment rather than being separately classified under prepaid lease rental on the statements of financial position. This change in classification has no effect on the results of the Group.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(d) Amendments to FRS 117 Leases (contd.)

(i) Summary of effects on the current year's financial statements

The following tables provide estimates of the extent to which each of the line items in the statements of financial position as at 31 December 2010 is higher or lower than it would have been had the previous policies been applied in the current year.

Effects on statements of financial position as at 31 December 2010:

Group	Increase/(decrease)
Description of change	RM'000
Property, plant and equipment	20,708
Prepaid land lease payments	(20,708)

(ii) Restatement of comparatives

The following comparative amounts have been restated due to the adoption of the revised FRS 117:

Group	As previously stated	Increase/(decrease)	As restated
Description of change	RM'000	RM'000	RM'000
Statements of financial position			
At 1 July 2008			
Property, plant and equipment	363,926	20,965	384,891
Prepaid land lease payments	20,965	(20,965)	-
At 31 December 2009			
Property, plant and equipment	870,055	20,849	890,904
Prepaid land lease payments	20,849	(20,849)	-

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(e) FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

(i) Non-hedging derivatives

Prior to 1 January 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all derivatives held by the Group as at 1 January 2010 are recognised at their fair values totalling RM3,840,000 and are classified as financial liabilities at fair value through profit or loss.

(ii) Impairment of trade receivables

Prior to 1 January 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(e) FRS 139 Financial Instruments: Recognition and Measurement (contd.)

(iii) Inter-company and jointly controlled entities loans

During the current and prior years, the Company granted interest-free or low-interest loans and advances to its subsidiaries and jointly controlled entities. Prior to 1 January 2010, these loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free or low-interest loans or advances are recorded initially at a fair value that is lower than cost. The difference between the fair value and cost of the loan or advance is recognised as an additional investment in the subsidiaries and jointly controlled entities. Subsequent to initial recognition, the loans and advances are measured at amortised cost. As at 1 January 2010, the Company has remeasured such loans and advances at their amortised cost of RM142,218,000 and the adjustments to their previous carrying amounts are recognised as an additional investment as at that date.

The following are effects arising from the above changes in accounting policies:

ŭ ŭ	0.		
		Increase/(d	ecrease)
		31.12.2010	1.1.2010
		RM'000	RM'000
Statements of financial position			
Group			
Investments in jointly controlled entities		24,676	24,676
Amount due from jointly controlled entity		(5,504)	(6,163)
Property development costs		(3,381)	-
Receivables		(33,757)	(35,705)
Payables		(6,759)	(4,680)
Advances by minority shareholders		(43,807)	(35,320)
Derivatives (liabilities)		1,621	3,841
Minority interests		20,189	4,932
Retained earnings		(39,177)	(35,932)
Other reserves - fair value adjustment reserve		49,967	49,967

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(e) FRS 139 Financial Instruments: Recognition and Measurement (contd.)

	Increase/(de	Increase/(decrease)	
	31.12.2010 RM'000	1.1.2010 RM'000	
Statements of financial position			
Company			
Investments in subsidiaries	61,146	61,146	
Investments in jointly controlled entities	6,163	6,163	
Amount due from subsidiaries	(52,091)	(61,146)	
Amount due from jointly controlled entity	(5,504)	(6,163)	
Receivables	(33,757)	(35,705)	
Payables	526	-	
Derivatives (liabilities)	1,621	3,841	
Retained earnings	(26,190)	(39,546)	

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

(e) FRS 139 Financial Instruments: Recognition and Measurement (contd.)

	Increase/(decrease	e)
	Group Comp 31.12.2010 31.12.2 RM'000 RM'	
Income statements		
Revenue	(425)	-
Cost of sales	(3,968)	-
Other income	5,687 13	,376
Interest expenses	12,475	20
Profit before tax	(3,245) 13	,356
Income tax expense	-	-
Profit net of tax	(3,245) 13	,356
	Gi Decre	roup ease
	31.12.2 Sen per sl	
Earnings per share:		
Basic		0.69
Diluted		0.69

2. Summary of significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective

The Group has not adopted the following standards and Interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
Improvements to FRSs (2010) issued in November 2010	1 January 2011
IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

2. Summary of significant accounting policies (contd.)

2.3 Standards and Interpretations issued but not yet effective (contd.)

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, Amendments to FRS 127 and IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and Interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 are described below.

(a) Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

(b) IC Interpretation 15: Agreements for the Construction of Real Estate

This Interpretation 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 completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this implementation.

2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination 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 business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.10. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

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.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the parent entity extension method, whereby, on acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised in goodwill. Gain or loss on disposal to minority interests is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Summary of significant accounting policies (contd.)

2.6 Foreign currency (contd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land is measured at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2
Renovations	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Equipment, furniture and fittings	5 - 20

2. Summary of significant accounting policies (contd.)

2.7 Property, plant and equipment (contd.)

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 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 statement of comprehensive income 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. Summary of significant accounting policies (contd.)

2.9 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.10 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. Summary of significant accounting policies (contd.)

2.10 Goodwill (contd.)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-qenerating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. Summary of significant accounting policies (contd.)

2.11 Impairment of non-financial assets (contd.)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An 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.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. 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 for 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Summary of significant accounting policies (contd.)

2.13 Associates (contd.)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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.

2.14 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its investment in joint venture is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

2. Summary of significant accounting policies (contd.)

2.15 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (contd.)

2.15 Financial assets (contd.)

(b) Loans and receivables (contd.)

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in an of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. Summary of significant accounting policies (contd.)

2.16 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (contd.)

2.16 Impairment of financial assets (contd.)

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. Summary of significant accounting policies (contd.)

2.18 Land held for property development and property development costs (contd.)

(b) Property development costs

Property development costs comprise of all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2. Summary of significant accounting policies (contd.)

2.19 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.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

2. Summary of significant accounting policies (contd.)

2.21 Financial liabilities (contd.)

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (contd.)

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.23 Convertible redeemable preference shares

The convertible redeemable preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component of convertible redeemable preference shares that exhibits characteristics of a liability is recognised as a financial liability in the statements of financial position, net of transaction costs. The dividends on those shares are recognised as interest expense in profit or loss using the effective interest rate method. On issuance of the convertible redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability in accordance with the accounting policy for other payables set out in Note 2.21.

The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

Transaction costs are apportioned between the liability and equity components of the convertible redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments were first recognised.

2.24 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (contd.)

2.24 Employee benefits (contd.)

(b) 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 reporting 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 earnings.

2.25 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

2. Summary of significant accounting policies (contd.)

2.25 Leases (contd.)

(a) As lessee (contd.)

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.26(b).

2.26 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) 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 2.18(b).

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.

2. Summary of significant accounting policies (contd.)

2.26 Revenue (contd.)

(b) 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.

(c) 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.

(d) 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.

(e) Club subscription fees

Club subscription fees are recognised on the accrual basis.

(f) 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.

2. Summary of significant accounting policies (contd.)

2.26 Revenue (contd.)

(g) Management fees

Management fees from the management of real estate investment funds activity are recognised on the accrual basis.

2.27 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (contd.)

2.27 Income taxes (contd.)

(b) Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (contd.)

2.28 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 54, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.30 Warrants

Warrants are classified as equity.

The issue of ordinary shares upon exercise of the warrants are treated as new subscriptions of ordinary shares for the consideration equivalent to the warrants exercise price.

2.31 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2. Summary of significant accounting policies (contd.)

2.32 Non-current assets (and disposal group) 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.

2.33 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

3. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases. The Group assessed the following:

- (i) The land titles do not passed to the Group; and
- (ii) The rentals paid to the landlord for the commercial properties are increase to the market rent at regular intervals, and the Group does not participate in the residual value of the building.

Management judged that it retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

(b) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

3. Significant accounting estimates and judgements (contd.)

3.1 Judgements made in applying accounting policies (contd.)

(b) Classification between investment properties and property, plant and equipment (contd.)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2010 is RM202,253,000 (2009: RM23,035,000). Further details are disclosed in Note 22.

3. Significant accounting estimates and judgements (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(b) Depreciation of property, plant and equipment

The cost of hotel properties is depreciated on a straight-line basis over its remaining useful lives. Management estimates the useful lives of these hotel properties to be 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 27 years to 47 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.

(c) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As at 31 December 2010, the total carrying value of recognised tax losses and capital allowances of the Group is RM81,656,000 (2009: RM133,024,000) and the unrecognised tax losses and capital allowances of the Group is RM97,929,000 (2009: RM180,363,000). Further details are provided for in Note 37.

3. Significant accounting estimates and judgements (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(e) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 26.

(f) Revaluation of investment property and investment property under construction ("IPUC")

Investment property includes: (i) completed investment property; and (ii) IPUC. Completed investment property comprises real estate (land or building, or both) held by the Group or leased under a finance lease in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

In this financial period, the Group has adopted the amendments to FRS 140. Consequently, IPUC is valued at fair value if it can be reliably determined. If a fair value cannot be reliably determined, then IPUC is measured at cost. The fair value of IPUC is either determined on the basis of the discounted cash flow or the residual methods. However, using either method to value IPUC also requires considering the significant risks which are relevant to the development process, including but not limited to construction and letting risks.

4. Revenue

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Sale of properties under development	411,868	494,648	11,309	34,027
Sale of property stocks	793	9,334	-	-
Sale of long term leasehold land	-	37,820	41,774	-
Rental income	180,970	409,956	7,723	9,052
Sale of goods and services	495,363	620,872	-	-
Subscription fees and others	2,471	13,155	-	-
Time sharing fees	6,088	15,182	-	-
Dividend income from subsidiaries	-	-	1,239,852	58,929
Dividend income from a jointly controlled entity	-	-	45,000	34,825
Dividend income from an associate	-	-	13,600	-
Management fees from real estate investment fund	9,055	-	-	-
	1,106,608	1,600,967	1,359,258	136,833

5. Cost of sales

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Property development costs				
- current year/period (Note 24)	259,756	309,105	8,145	22,580
- under/(over) recognised in prior period/year	605	(19)	(109)	(14
Cost of property stocks sold	390	1,252	-	-
Cost of land sold	-	33,354	22	-
Cost of goods and services sold				
- cost of services rendered	24,980	16,642	427	2,393
- cost of theme park operations	14,874	18,801	-	-
- cost of hotel operations	74,958	99,932	-	-
- cost of healthcare operations	55,326	68,850	-	-
- cost of travel and tour business operations	35,464	39,833	-	-
Cost of time sharing business operations and others	2,661	8,643	-	-
	469,014	596,393	8,485	24,959

6. Other income

Included in other income are the following:

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Fair value gain of investment properties (Note 16)	55,678	733,992	7,806	6,807
Forfeiture income	264	2,045	116	115
Net gain on disposal of non-current assets classified as held for sale	135,816	-	-	-
Gain on disposal of property, plant and equipment	325	526	155	-
Gain on disposal of biological assets	-	2	-	-
Interest income				
- from subsidiaries	-	-	20,778	38,976
- deposits with licensed financial institutions	10,345	6,520	665	256
- others	8,248	11,193	1,846	1,463
Rental income				
- equipment	7,160	8,748	-	-
- others	9,506	12,411	-	36
Gain on derecognition of financial assets/financial liabilities	1,270	-	1,270	-
Gain on hedged instruments	724	-	724	-
Accretion of interest	3,693	-	11,382	-
Realised foreign exchange gain	74	1,701	-	-

7. Finance costs

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Dividends on cumulative redeemable				
preference shares payable to				
minority shareholders of subsidiaries	9,088	3,175	-	-
Interest expense				
- hire purchase and finance lease arrangements	2,087	1,397	19	86
- inter-company balances	-	-	13,282	10,452
- related party balances	-	273	-	253
- bank overdrafts	449	344	75	-
- revolving credits	2,406	4,062	2,307	4,062
- commercial papers and medium term notes	422	21,828	422	21,817
- term loans	30,634	53,408	8,387	8,935
- bonds	7,784	20,293	7,784	20,293
Unwinding of discount	12,475	-	20	-
	65,345	104,780	32,296	65,898

8. Profit/(loss) before tax

The following amounts have been included in arriving at profit/(loss) before tax:

	Gr	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Employee benefits expense (Note 9)	205,367	269,314	40,840	50,839
Non-executive directors' remuneration (Note 10)	337	320	337	320
Auditors' remuneration				
- statutory audits	1,038	930	166	207
- under/(over)provision in prior period/year	200	(19)	57	(40)
- other services	435	400	144	78
Reversal of allowance for impairment loss				
- subsidiaries	-	-	(69,026)	(20,630)
- trade receivables (Note 26)	(1,345)	(9,600)	-	(158)
- other receivables	-	(70)	-	(10)
Bad debts written off	-	250	-	-
Depreciation of				
- property, plant and equipment (Note 14)	31,725	82,396	1,532	1,948
- biological assets (Note 15)	29	118	-	-
Foreign exchange loss/(gain)				
- realised	2,055	(1,943)	-	-
- unrealised	340	(1,363)	494	400
Impairment losses on				
- investments in subsidiaries	-	-	-	151,979
- inventories	6,200	-	-	-
Reversal of impairment losses on investment in a subsidiary	-	-	-	(1,494)

8. Profit/(loss) before tax (contd.)

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Loss on disposal of				
- subsidiaries	-	1,505	-	3,787
- property, plant and equipment	98	148	-	-
- investment properties	-	170	-	-
Written off of				
- property, plant and equipment	5,146	143	175	18
- biological assets	120	350	-	-
- amount due from subsidiaries	-	-	-	40,183
Allowance for impairment loss				
- trade receivables (Note 26)	24,150	43,575	893	-
- other receivables	-	3	-	3
Bad debts recovered	(7,503)	-	(6,531)	-
Rental expense				
- land and buildings	30,438	1,940	2,618	2,761
- property, plant and equipment	1,661	1,525	249	260
- others	1,401	1,281	80	134
Fair value loss of investment properties (Note 16)	3,420	543	-	-
Loss on redemption of preference shares	-	-	57,532	-

9. Employee benefits expense

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Wages and salaries	126,209	178,628	24,726	30,910
Social security contributions	1,703	2,330	183	254
Contributions to defined contribution plan	16,154	22,712	3,833	5,033
Other benefits	61,301	65,644	12,098	14,642
	205,367	269,314	40,840	50,839

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM10,301,000 (2009: RM12,940,000) and RM6,895,000 (2009: RM7,998,000) respectively as further disclosed in Note 10.

10. Directors' remuneration

	Gr	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Executive directors' remuneration				
(Note 9):				
Other emoluments	10,301	12,940	6,895	7,998
Non-executive directors' remuneration				
(Note 8):				
Fees	166	276	166	276
Other emoluments	171	44	171	44
	337	320	337	320
Total directors' remuneration	10,638	13,260	7,232	8,318
Estimated money value of benefits-in-kind	617	760	354	407
Total directors' remuneration including				
benefits-in-kind (Note 50)	11,255	14,020	7,586	8,725

10. Directors' remuneration (contd.)

The details of remuneration receivable by directors of the Company during the financial year/period are as follows:

	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Executive:		
Salaries and other emoluments	4,081	5,467
Bonus	2,075	1,674
Defined contribution plan	739	857
Estimated money value of benefits-in-kind	354	407
	7,249	8,405
Non-executive:		
Fees	166	276
Other emoluments	171	44
	7,586	8,725

10. Directors' remuneration (contd.)

The number of directors of the Company whose total remuneration during the financial year/period fell within the following bands is analysed below:

	Number of	Directors
Discontinued operations	2010	200
Executive directors:		
RM350,001 - RM400,000	1	
RM400,001 - RM450,000	1	
RM450,001 - RM500,000	-	
RM500,001 - RM550,000	1	
RM700,001 - RM750,000	-	
RM900,001 - RM950,000	2	
RM1,100,001 - RM1,150,000	-	
RM4,100,001 - RM4,150,000	1	
RM4,800,001 - RM4,850,000	-	-
Non-executive directors:		
Below RM100,000	5	

11. Income tax expense

	Gre	oup	Com	pany
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Current income tax:				
Malaysian income tax	79,469	88,221	38,598	21,832
Foreign tax	313	8,447	-	21,002
. 0.0.g. tax	79,782	96,668	38,598	21,832
(Over)/underprovision in prior period:	-, -	,	,	,
Malaysian income tax	(3,836)	1,988	(4,348)	(2,034)
Foreign tax	(8,076)	-	-	-
	(11,912)	1,988	(4,348)	(2,034)
Deferred tax (Note 37):				
Relating to origination and reversal of temporary differences	(385,690)	174,353	2,478	(10,387)
Underprovision in prior period/year	238	2,518	2,463	9,598
	(385,452)	176,871	4,941	(789)
Total income tax expense	(317,582)	275,527	39,191	19,009

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit/(loss) for the year/period.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

11. Income tax expense (contd.)

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:

	1.1.2010 to	1.7.2008 to
Discontinued operations	31.12.2010 RM'000	31.12.2009 RM'000
Group		
Profit before tax	520,345	1,141,407
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	130,086	285,352
Different tax rates in other countries	329	1,754
Income not subject to tax	(24,648)	(3,475)
Expenses not deductible for tax purposes	20,155	28,401
Utilisation of previously unrecognised tax losses, unabsorbed		
capital allowances and other deductible temporary differences	(25,588)	(21,271)
Deferred tax assets not recognised in respect of current		
year/period's tax losses, unabsorbed capital allowances and other deductible temporary differences	4,563	268
Deferred tax assets recognised on previously unrecognised tax		
losses, unabsorbed capital allowances and other deductible temporary differences	(6,472)	(5,569)
Effect of share of profit of associates	(24,391)	(2,024)
Effect of share of profit of jointly controlled entities	(8,038)	(12,415)
Net deferred tax effect arising from a change in the manner of recovery of asset (Note a)	(371,904)	-
(Over)/underprovision of income tax in prior period/year	(11,912)	1,988
Underprovision of deferred tax in prior period/year	238	2,518
Income tax expense for the year/period	(317,582)	275,527

11. Income tax expense (contd.)

(a) As disclosed in Note 55, certain subsidiaries of the Company completed the disposal of their interest in 8 properties to Sunway REIT. As a result of the change in the manner of recovery of the properties from that of recovery through use to recovery through sale, the management had reassessed the measurement of the deferred tax liabilities after considering the tax consequences that would follow from the manner in which the respective entities expect, to recover the carrying amount of the above properties and this has resulted in a total net reversal of deferred tax liability amounting to RM371,904,000.

Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Company		
Profit/(loss) before tax	1,324,150	(156,218)
Taxation at Malaysian statutory tax rate of 25% (2009: 25%)	331,038	(39,055)
Income not subject to tax	(311,585)	(10,176)
Expenses not deductible for tax purposes	21,623	60,676
Overprovision of income tax in prior period/year	(4,348)	(2,034)
Underprovision of deferred tax in prior period/year	2,463	9,598
Income tax expense for the year/period	39,191	19,009

Tax savings during the financial period/year are arising from:

	Gro	oup	Company		
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	
Utilisation of current year tax losses Utilisation of previously unrecognised tax losses	11,643	23,325	- 11,396	23,325	

12. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year/period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year/period.

	1.1.2010	1.7.2008
Discontinued operations	to 31.12.2010	to 31.12.2009
Profit attributable to ordinary equity holders of the Company (RM'000)	542,005	537,908
Weighted average number of ordinary shares in issue ('000)	469,995	469,948
Basic earnings per share (sen)	115.32	114.46

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year/period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year/period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees and warrants.

	1.1.2010	1.7.2008
Discontinued operations	to 31.12.2010	to 31.12.2009
Profit attributable to ordinary equity holders of the Company (RM '000)	542,005	537,908
Weighted average number of ordinary shares in issue ('000)	469,995	469,948
Effect of dilution of share options ('000)	53	57
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	470,048	470,005
Diluted earnings per share (sen)	115.31	114.45

13. Dividends

	in	Dividends in respect of year/period			Dividends recognised in year/period		
Discontinued operations	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000		
Recognised during the year/period:							
Final dividend for 2008: 3.0% less 26% taxation, on 469,910,199 ordinary shares (2.22 sen per share)	-	-	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		
Final dividend for 2009: 5.0% less 25% taxation, on 469,951,432 ordinary shares (3.75 sen per share)	-	17,623	-	17,623	-		
First interim dividend for							
2010: 31.0% less 25% taxation, on 470,001,432	400.575			100 272			
ordinary shares (23.25 sen per share)	109,276 109,276	45,820	28,055	109,276 126,899	45,820		

The Board of Directors does not recommend the payment of a final dividend for the financial year ended 31 December 2010.

14. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Long term leasehold land 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
At 31 December 2010									
Cost									
At 1 January 2010 (as previously stated)	14,301	748,044	-	7,357	266,096	9,833	427,697	33,840	1,507,168
Effect of adopting FRS 117	-	-	23,094	-	-	-	-	-	23,094
At 1 January 2010 (as restated)	14,301	748,044	23,094	7,357	266,096	9,833	427,697	33,840	1,530,262
Additions	3	28,335	-	1,594	8,340	2,906	45,742	13,042	99,962
Disposals/write-offs	-	(185)	-	-	(3,106)	(1,903)	(21,436)	(1,320)	(27,950)
Reclassifications	26,004	4,473	-	424	(5,664)	(26)	(1,519)	(23,692)	-
Transfer from property development costs (Note 24)	-	51,089	-	-	-	-	-	-	51,089
Transfer from/(to) investment properties (Note 16)	-	4,886	(11,978)	-	-	-	-	-	(7,092)
Transfer from land held for property development (Note 17)	-	-	1,403	-	-	-	-	-	1,403
Transfer to non-current assets classified as held for sale (Note 31a)	-	(352,050)	(1,554)	(4,083)	(78,903)	(221)	(249,834)	(3,942)	(690,587)
Acquisition of subsidiary	-	54,489	374	-	-	165	723	-	55,751
Exchange differences	-	(3,174)	(67)	(28)	(343)	(32)	(1,755)	4	(5,395)
Attributable to discontinued operation and group classified as held for sale (Note 31b)	(40,308)	(535,907)	(11,272)	(5,264)	(186,420)	(10,722)	(199,618)	(17,932)	(1,007,443)
At 31 December 2010	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment									
At 1 January 2010 (as previously stated)	943	132,685	-	3,105	203,620	7,477	283,463	5,820	637,113
Effect of adopting FRS 117	-	-	2,245	-	-	-	-	-	2,245
At 1 January 2010 (as restated)	943	132,685	2,245	3,105	203,620	7,477	283,463	5,820	639,358
Depreciation charge for the year (Note 8)	-	10,582	141	447	2,708	1,184	16,568	95	31,725
Disposals/write-offs	(943)	-	-	-	(821)	(1,472)	(17,697)	-	(20,933)
Reclassifications	-	559	-	(54)	(312)	(48)	(147)	2	-
Transfer to investment properties (Note 16)	-	-	(537)	-	-	-	-	-	(537)
Transfer to non-current assets classified as held for sale (Note 31a)	-	(24,694)	(159)	(1,158)	(34,874)	(102)	(163,897)	807	(224,077)
Exchange differences	-	(1,339)	(34)	(4)	(54)	(14)	(287)	-	(1,732)
Attributable to discontinued operation and group classified as held for sale (Note 31b)	-	(117,793)	(1,656)	(2,336)	(170,267)	(7,025)	(118,003)	(6,724)	(423,804)
At 31 December 2010	-	-	-	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-	-	-	-

14. Property, plant and equipment (contd.)

Group (contd.)	Freehold land RM'000	Buildings RM'000	Long term leasehold land 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
At 31 December 2010									
Cost									
At 1 July 2008 (as previously stated)	4,769	308,565	-	2,913	191,978	7,615	144,881	88,499	749,220
Effect of adopting FRS 117	-	-	22,686	-	-	-	-	-	22,686
At 1 July 2008 (as restated)	4,769	308,565	22,686	2,913	191,978	7,615	144,881	88,499	771,906
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 31a)	-	329,330	408	1,212	72,749	1,708	188,929	36,036	630,372
Exchange differences		1,416	-	-	-	1	-	5	1,422
At 31 December 2009	14,301	748,044	23,094	7,357	266,096	9,833	427,697	33,840	1,530,262
Accumulated depreciation and impairment									
At 1 July 2008 (as previously stated)	943	98,485	-	1,475	167,353	4,661	106,623	5,754	385,294
Effect of adopting FRS 117	-	-	1,721	-	-	-	-	-	1,721
At 1 July 2008 (as restated)	943	98,485	1,721	1,475	167,353	4,661	106,623	5,754	387,015
Depreciation charge for the period (Note 8)	-	24,669	524	923	12,402	1,918	41,960	-	82,396
Disposals/write-offs	-	(406)	-	-	(145)	(304)	(5,044)	-	(5,899)
Transfer from non-current assets classified as held for sale (Note 31a)	-	9,937	-	707	24,010	1,202	139,922	-	175,778
Exchange differences	_	-	-	-	-	-	2	66	68
At 31 December 2009	943	132,685	2,245	3,105	203,620	7,477	283,463	5,820	639,358
Net carrying amount	13,358	615,359	20,849	4,252	62,476	2,356	144,234	28,020	890,904
At 30 June 2008/1 July 2008									
Net carrying amount (restated)	3,826	210,080	20,965	1,438	24,625	2,954	38,258	82,745	384,891

14. Property, plant and equipment (contd.)

Company	Buildings 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
At 31 December 2010						
Cost	4,426	51,739	3,916	7,578	-	67,659
At 1 January 2010	136	-	263	2,480	198	3,077
Additions	-	(175)	(389)	(16)	-	(580)
Disposals/write-offs						
Attributable to discontinued operation and disposal group classified as held for sale (Note 31b)	(4,562)	(51,564)	(3,790)	(10,042)	(198)	(70,156)
At 31 December 2010	-	-	-	-	-	-
Accumulated depreciation and impairment						
At 1 January 2010	1,125	51,566	2,776	4,922	-	60,389
Depreciation charge for the year (Note 8)	90	-	589	853	-	1,532
Disposals/write-offs	-	-	(370)	(16)	-	(386)
Attributable to discontinued operation and disposal group classified as held for sale (Note 31b)	(1,215)	(51,566)	(2,995)	(5,759)	-	(61,535)
At 31 December 2010	-	-	-	-	-	-
Net carrying amount	_	-	-	-	-	-
At 31 December 2009						
Cost						
At 1 July 2008	4,426	51,739	3,618	6,573	-	66,356
Additions	-	-	316	1,005	-	1,321
Disposals/write-offs	-	-	(18)	-	-	(18)
At 31 December 2009	4,426	51,739	3,916	7,578	-	67,659
Accumulated depreciation and impairment						
At 1 July 2008	992	51,551	1,783	4,115	-	58,441
Depreciation charge for the period (Note 8)	133	15	993	807	-	1,948
At 31 December 2009	1,125	51,566	2,776	4,922	-	60,389
Net carrying amount	3,301	173	1,140	2,656	-	7,270
At 30 June 2008/1 July 2008						
Net carrying amount	3,434	188	1,835	2,458	-	7,915

14. 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:

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Motor vehicles	767	752	121	244	
Equipment, furniture and fittings	39,534	24,136	-	-	
Plant and machinery	10	-	-	-	
	40,311	24,888	121	244	

⁽b) Property, plant and equipment of the Group with net carrying amount of RM336,609,000 (2009: RM45,845,000) are pledged as securities for borrowings as disclosed in Note 32.

15. Biological assets

	Gro	oup
	2010 RM'000	2009 RM'000
Cost		
At beginning of financial year/period	683	835
Additions	78	237
Write-off	(121)	(389)
Attributable to discontinued operation and disposal group classified as held for sale (Note 31b)	(640)	-
At end of financial year/period	-	683
Accumulated depreciation		
At beginning of financial year/period	151	72
Depreciation charge for the year/period (Note 8)	29	118
Write-off	(1)	(39)
Attributable to discontinued operation and disposal group classified as held for sale (Note 31b)	(179)	-
At end of financial year/period	-	151
Net carrying amount	-	532

Biological assets consist of animals used in a petting zoo operated by a subsidiary.

16. Investment properties

	Gro	oup	Com	pany
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At valuation				
At beginning of financial year/period	3,207,367	429,469	91,189	82,088
Additions from acquisition	2,023	19,599	-	720
Additions from subsequent expenditure	67,018	26,603	-	-
Transfers from/(to):				
- property development cost (Note 24)	118,727	-	-	-
- non-current assets classified as held for sale (Note 31a)	(2,786,865)	2,050,220	-	-
- land held for property development (Note 17)	22	-	-	-
- property, plant and equipment (Note 14)	6,555	-	-	-
- inventories	-	1,574	-	1,574
Disposal	-	(1,530)	-	-
Fair value adjustment				
- gain (Note 6)	55,678	733,992	7,806	6,807
- loss (Note 8)	(3,420)	(543)	-	-
Reversal of overaccrued cost	(280)	(52,017)	-	-
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(666,825)	-	(98,995)	-
At end of financial year/period	-	3,207,367	-	91,189

16. Investment properties (contd.)

The investment properties under lease terms are as follows:

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Long term leasehold land	135,956	584,999	69,053	62,089	
Freehold land	-	104,089	-	-	
Buildings	530,869	2,518,279	29,942	29,100	
	666,825	3,207,367	98,995	91,189	

In the previous financial period, the carrying values of the properties were based on valuation carried out by CH William Talhar & Wong, Knight Frank and City Valuers & Consultants. The carrying values of the properties as at 31 December 2010 are based on valuation carried out by CH William Talhar & Wong and City Valuers & Consultants. Fair value is determined primarily based on income and comparison approaches.

Investment properties of the Group with an aggregate carrying value of RM353,000,000 (2009: RM2,768,215,000) are pledged as securities for borrowings as disclosed in Note 32.

Investment properties comprise a number of commercial properties leased to third and related parties.

17. Land held for property development

	Gro	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Cost					
At beginning of financial year/period:					
Freehold land	199,439	175,003	-	-	
Long term leasehold land	83,660	35,144	1,020	1,020	
Development costs	119,855	184,326	1,279	1,279	
	402,954	394,473	2,299	2,299	
Exchange difference:					
Freehold land	141	-	-	-	
Additions:					
Freehold land	5,340	10,212	-	-	
Long term leasehold land	42,083	-	-	-	
Development costs	3,792	1,405	-		
	51,215	11,617	-	-	
Reclassified to jointly controlled entity:					
Development costs (Note 21)	(5,898)	-	-	-	
Reversal of overaccrued cost:					
Long term leasehold land	-	(141)	-	-	
Transfers to:					
Property, plant and equipment (Note 14)	(1,403)	-	-	-	
Property development costs (Note 24)	(57,191)	(2,995)	-		
Investment properties (Note 16)	(22)	-	-		
	(58,616)	(2,995)	-		

17. Land held for property development (contd.)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Disposal:				
Development costs	-	-	(22)	-
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(389,796)	-	(2,277)	-
Carrying amount at end of financial year/period	-	402,954	-	2,299

In the previous financial period, interest expense capitalised under development costs of the Group amounted to RM1,323,000.

Freehold land and related development costs of the Group costing RM258,083,000 (2009: RM80,470,000) are pledged to financial institutions as securities for borrowings as disclosed in Note 32.

18. Investments in subsidiaries

	Com	Company	
	2010 RM'000	2009 RM'000	
At cost			
Unquoted ordinary shares	506,702	294,556	
Less: Accumulated impairment losses	(6,734)	(6,734)	
	499,968	287,822	
Unquoted preference shares	214,405	428,150	
Less: Accumulated impairment losses	(151,605)	(151,605)	
	62,800	276,545	
Add: Discount on loans to subsidiaries	61,146	-	
	623,914	564,367	
Attributable to discontinued operations and disposal group classified as held for sale (Note 31b)	(623,914)	-	
Net carrying amount at end of financial year/period	-	564,367	

During the financial year, the Group completed the following acquisitions:

- (a) On 3 February 2010, Sunway City (Ipoh) Sdn. Bhd. acquired 100% equity interest in Sunway Lost World Hotel Sdn. Bhd. (formerly known as Linear Plus Sdn. Bhd.) for RM2.00 cash;
- (b) On 19 April 2010, the Company acquired 100% equity interest in Warisan Kerjasama Sdn. Bhd. for RM2.00 cash;
- (c) On 27 May 2010, the Company acquired 100% equity interest in Sunway Parking Management Sdn. Bhd. for RM1,168,994 cash;
- (d) On 31 March 2010, Sunway Pyramid Sdn. Bhd. acquired 100% equity interest in Sunway Leisure Sdn. Bhd. (formerly known as Mega Capacity Sdn. Bhd.) for RM2.00 cash. Subsequently on 12 July 2010, the Company has entered into a share sale agreement with Sunway Pyramid Sdn. Bhd. to acquire 100% equity interest in Sunway Leisure Sdn. Bhd. (formerly known as Mega Capacity Sdn. Bhd) for RM1,582,628 cash;

18. Investments in subsidiaries (contd.)

- (e) On 25 June 2010, the Company acquired 100% equity interest in Sunway Pinnacle Sdn. Bhd. (formerly known as Quest Affinity Sdn. Bhd.) for RM2.00 cash;
- (f) On 9 June 2009, SunCity Vietnam Sdn. Bhd. (formerly known as Mega Methods Sdn. Bhd.) entered into a share sale and purchase agreement with Sunway Holdings (Vietnam) Sdn. Bhd. and Sunway Property (China) Limited, being subsidiaries of Sunway Holdings Berhad for the proposed acquisition of the entire issued and paid-up share capital of Hochimex Nominee Company Limited and its subsidiary, Sunway Hotel Hanoi Liability Limited Company with One Member for a total cash consideration of USD17 million (equivalent to approximately RM59.33 million) and the acquisition was completed on 29 June 2010:
- (g) On 11 November 2010, the Company acquired 100% equity interest in Sunway Loyalty Card Sdn. Bhd. (formerly known as Loyal Connection Sdn. Bhd.) for RM2.00 cash;
- (h) On 16 December 2010, the Company acquired 100% equity interest in Sunway City (JB) Sdn. Bhd. (formerly known as Asli Budimas Sdn. Bhd.) for RM2.00 cash; and
- (i) On 30 December 2010, the Company acquired 100% equity interest in Salient Century Sdn. Bhd. for RM2.00 cash;

The acquisition of subsidiaries save for the acquisition of Hochimex Nominee Company Limited group, did not have any material effect on the financial results and financial position of the Group.

During the financial year, the Company subscribed to additional shares in the following companies:

- (a) Additional subscription in shares of Sunway REIT Management Sdn. Bhd., a wholly owned subsidiary amounting to RM999,998, satisfied by cash;
- (b) Additional subscription in shares of Sunway City (JB) Sdn. Bhd. (formerly known as Asli Budimas Sdn. Bhd.), an 80% owned subsidiary amounting to RM399,998, satisfied by cash;
- (c) During the financial year, the Company acquired 3.34% equity interest in Sunway Medical Centre Berhad ("SMC") from its minority interests for a total cash consideration of RM5,390,087. Subsequently, additional subscription in shares of SMC amounting to RM25,689,738, satisfied by cash and by capitalising the advances granted by the Company to SMC. As a result, SMC became 84.79% owned by the Company;

18. Investments in subsidiaries (contd.)

- (d) Additional subscription in shares of Sunway Hospitality Holdings Ltd, a wholly-owned subsidiary amounting to USD554,840 (equivalent to RM1,979,117), satisfied by cash;
- (e) Additional subscription in shares of Sunway Pinnacle Sdn. Bhd. (formerly known as Quest Affinity Sdn. Bhd.), a wholly owned subsidiary amounting to RM499,998, satisfied by cash; and
- (f) Additional subscription in shares of Sunway Travel Sdn. Bhd., a wholly owned subsidiary amounting to RM500,000 satisfied by capitalising the advances granted by the Company to Sunway Travel Sdn. Bhd..

Acquisition of subsidiary

The fair values of the identifiable assets and liabilities of Hochimex Nominee Company Limited and its subsidiary, Sunway Hotel Hanoi Liability Limited Company with One Member ("Hochimex Group") as at the date of acquisition were:

	Fair value RM'000	Carrying amount RM'000
Property, plant and equipment	55,751	14,561
Trade and other receivables	815	815
Inventories	58	58
Cash and cash equivalents	10,626	10,626
	67,250	26,060
Trade and other payables	(9,387)	(9,387)
Deferred tax liability (Note 37)	(10,297)	-
Income tax payable	(302)	(302)
	(19,986)	(9,689)
Net identifiable assets	47,264	16,371

18. Investments in subsidiaries (contd.)

Total cost of business combination

The total cost of the business combination is as follows:

	RM'000
Cash paid	59,330
Refund for refurbishment	(11,202)
	48,128
The effect of the acquisition on cash flows is as follows:	RM'000
Total cost of the business combination settled in cash	48,128
Less: Cash and cash equivalents of subsidiary acquired	(10,626)
Net cash outflow on acquisition	37,502
Provisional goodwill arising on acquisition	RM'000
Fair value of net identifiable assets	47,264
Provisional goodwill on acquisition	864
Cost of business combination	48,128

Impact of acquisition

From the date of acquisition, Hochimex Group has contributed RM324,474 to the Group's profit net of tax. If the combination had taken place at the beginning of the financial year, the Group's profit net of tax would have been RM890,364,000 and revenue would have been RM1,114,099,000.

Acquisition of remaining interest in subsidiaries

On 2 September 2010 and 13 September 2010, the Company acquired the remaining 49% equity interest in Sunway Lagoon Sdn. Bhd. ("SLSB") from its minority interests for a total cash consideration of RM140,000,000. As a result of this acquisition, SLSB became a wholly-owned subsidiary of the Company. On the date of acquisition, the carrying value of the additional interest acquired was RM2,767,744. The difference between the consideration and the book value of the interest acquired of RM137,232,256 is reflected as goodwill arising on acquisition of additional interest in subsidiary.

18. Investments in subsidiaries (contd.)

Acquisition of remaining interest in subsidiaries (contd.)

On 6 October 2010, the Company acquired the remaining 48% equity interest in Sunway Resort Hotel Sdn. Bhd. ("SRH") from its minority interests for a total cash consideration of RM36,415,425. As a result of this acquisition, SRH became a wholly-owned subsidiary of the Company. On the date of acquisition, the net liability of the additional interest acquired was RM1,911,270. The difference between the consideration and the book value of the interest acquired of RM38,326,695 is reflected as goodwill arising on acquisition of additional interest in subsidiary.

19. Amounts due from subsidiaries

		Company		
	31.12.2010 RM'000	31.12.2010 RM'000 (restated)	1.7.2008 RM'000 (restated)	
Short term amount due from subsidiaries				
Interest bearing amounts	389,126	548,110	570,849	
Non-interest bearing amounts	161,155	278,400	556,374	
	550,281	826,510	1,127,223	
Less: Allowance for impairment loss	(54,880)	(123,906)	(144,536)	
	495,401	702,604	982,687	
Long term amount due from subsidiaries				
Interest bearing amounts	87,988	116,898	116,898	
Non-interest bearing amounts	61,819	82,544	82,544	
	149,807	199,442	199,442	
Total amount due from subsidiaries	645,208	902,046	1,182,129	
Attributable to discontinued operations and				
disposal group classified as held for sale (Note 31b)	(645,208)	-	-	
	-	902,046	1,182,129	

The amounts due from subsidiaries are unsecured and the term of repayment is on demand except for amounts owing by Sunway South Quay Sdn. Bhd. and Sunway Semenyih Sdn. Bhd. which bear interest at rates ranging from 3.00% to 7.80% (2009: 3.00% to 7.05%) per annum.

20. Investments in associates

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Unquoted shares at cost	19,564	19,564	13,265	13,265
Quoted shares at cost	882,429	-	882,429	-
Share of post-acquisition reserves	90,850	8,084	-	-
Unrealised profit arising from sale of assets to associate	(72,144)	-	-	-
	920,699	27,648	895,694	13,265
Less: Accumulated impairment losses	-	-	(2,000)	(2,000)
	920,699	27,648	893,694	11,265
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(920,699)	-	(893,694)	-
	-	27,648	-	11,265
Market value of quoted shares	1,011,546	-	1,011,546	-

Details of the associates are as disclosed in Note 51.

In the previous 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).

During the financial year, certain subsidiaries of the Group disposed off their interests in eight (8) properties to Sunway REIT for a total disposal consideration of RM3,457,000,000 satisfied by way of cash amounting to approximately RM2,575,000,000 and units in Sunway REIT worth RM882,429,000 by applying a Price Adjustment Mechanism. Further details on the disposal are disclosed in Note 55.

In addition, Sunway REIT Management Sdn. Bhd., a wholly-owned subsidiary of the Company received 2,235,600 units representing 0.05% of the total issued units in Sunway REIT as part payment of management fees from Sunway REIT.

As a result, the Group now holds 36.61% equity interest in Sunway REIT with a total carrying value of RM882,429,000 as at 31 December 2010. Sunway REIT was listed on the main market of Bursa Malaysia Securities Berhad on 8 July 2010.

20. Investments in associates (contd.)

The financial statements of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd. which have a financial year end of 31 March, Aktif-Sunway Sdn. Bhd. and Sunway REIT which have a financial year end of 30 June, 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 2010 have been used as there are no significant transactions between the reporting dates of their last audited financial statements and 31 December 2010.

The summarised financial information of the associates is as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	124,223	66,935
Non-current assets	3,730,331	645
Total assets	3,854,554	67,580
Current liabilities	(134,923)	(6,856)
Non-current liabilities	(1,047,003)	(10)
Total liabilities	(1,181,926)	(6,866)
Results		
Revenue	165,765	76,158
Profit for the year/period	355,161	16,301

21. Investments in jointly controlled entities

	Gr	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Unquoted shares at cost	96,420	81,017	50,938	50,938	
Reclassified from land held for property development (Note 17)	5,898	-	-	-	
Share of post-acquisition reserves	32,059	44,909	-	-	
Share of effect of adopting FRS 139	24,676	-	6,163	-	
	159,053	125,926	57,101	50,938	
Attributable to discontinued operation and disposal group					
classified as held for sale (Note 31b)	(159,053)	-	(57,101)	-	
	-	125,926	-	50,938	

Details of the jointly controlled entities are as follows:

			Proportion of ov interest	-
Name of jointly controlled entities	Country of incorporation	Principal activity	2010 %	2009 %
Sunway SPK Homes Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Real Estate (China) Limited	Hong Kong	Investment holding	60	60
Sunway Opus International Private Limited	India	Property development	50	50
Suncity Medallion JV	Unincorporated	Property development	50	50
Suncity Fawanis JV	Unincorporated	Property development	50	50
Suncity Suncon JV	Unincorporated	Property development	50	50
Eastern Creek Stage 3	Unincorporated	Property development	50	50

21. Investments in jointly controlled entities (contd.)

The Group's aggregate share of the current assets, non-current liabilities, non-current liabilities, income and expenses of the jointly controlled entities are as follows:

	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	151,628	125,234
Non-current assets	96,078	89,825
Total assets	247,706	215,059
Current liabilities	(123,686)	(14,687)
Non-current liabilities	(13,572)	(87,403)
Total liabilities	(137,258)	(102,090)
Results		
Revenue	162,929	186,461
Expenses, including finance costs and taxation	(130,779)	(136,801)

The detail of goodwill included within the Group's carrying amount of investment in a jointly controlled entity is as follows:

	2010 RM'000	2009 RM'000
Cost		
Arising from investment in a jointly controlled entity and as at 31 December	10,721	10,721

In the previous financial period, 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.

21. Investments in jointly controlled entities (contd.)

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:

	Ordinary		Percentage of
Name of shareholders	shares	RPS	shareholding
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 had become a 65% owned subsidiary of Sunway Real Estate.

The increase in the investment in unquoted shares in jointly controlled entities during the current financial year was attributable to the contribution of equity in the joint venture between the Group and Australand Pty. Ltd. for purposes of undertaking the development of a piece of land located in New South Wales, Australia.

22. Goodwill

	Gro	oup
	2010 RM'000	2009 RM'000
Cost		
At beginning of financial year/period	31,875	31,867
Acquisition of subsidiary and additional equity interest in subsidiaries	179,218	8
At end of financial year/period	211,093	31,875
Less: Accumulated amortisation and impairment	(8,840)	(8,840)
	202,253	23,035
Attributable to discontinued operations and disposal group classified as held for sale (Note 31b)	(202,253)	-
Net carrying amount	-	23,035

During the financial year, additional goodwill mainly arose from the acquisition of additional equity interest in Sunway Lagoon Sdn. Bhd. and Sunway Resort Hotel Sdn. Bhd..

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs, according to business segments as follows:

	2010 RM'000	2009 RM'000
Property investment	6,159	6,159
Hospitality	51,195	12,005
Healthcare	7,666	4,871
Leisure	137,233	-
	202,253	23,035

22. Goodwill (contd.)

Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. 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:

	Property investment %	Leisure %	Hospitality %	Healthcare %
At 31 December 2010				
Gross margin	29.9	30.0	8.6	17.2
Growth rate	61.2	7.0	23.7	51.6
Discount rate	10.0	10.0	10.0	10.0
At 31 December 2009				
Gross margin	64.7	-	30.3	15.1
Growth rate	6.0	-	5.6	37.3
Discount rate	10.0	-	10.0	10.0

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year 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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost				
Unquoted ordinary shares	-	6,019	-	-
Unquoted preference shares	10,853	10,853	10,853	10,853
Corporate membership	83	23	-	-
	10,936	16,895	10,853	10,853
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(10,936)	-	(10,853)	-
	-	16,895	-	10,853

24. Property development costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cumulative property development costs				
At beginning of financial year/period:				
Freehold land	179,879	218,433	-	-
Long term leasehold land	233,080	240,670	1,590	2,120
Development costs	1,507,976	1,644,585	68,746	135,901
	1,920,935	2,103,688	70,336	138,021
Costs incurred during the year/period:				
Freehold land	3,400	-	-	-
Long term leasehold land	28,147	52,785	-	-
Development costs	346,359	474,630	6,383	16,727
	377,906	527,415	6,383	16,727

24. Property development costs (contd.)

	Gre	oup	Com	pany
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Exchange difference	(62)	29	-	-
Reversal of overaccrued cost:				
Freehold land	-	(1,966)	-	-
Long term leasehold land	-	(186)	-	-
	-	(2,152)	-	-
Transfers (to)/from:				
Property, plant and equipment (Note 14)	(51,089)	-	-	-
Land held for property development (Note 17)	57,191	2,995	-	-
Inventories	(7,331)	(315)	-	(315)
Investment properties (Note 16)	(118,727)	-	-	-
	(119,956)	2,680	-	(315)
Disposal:				
Freehold land	-	(6,972)	-	-
Reversal of completed projects	(354,593)	(703,753)	-	(84,097)
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(1,824,230)	-	(76,719)	-
At end of financial year/period	-	1,920,935	-	70,336
Accumulated impairment losses				
At beginning of financial year/period				
Development costs	(1,577)	(1,577)	-	-
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	1,577	-	-	-
At end of financial year/period	-	(1,577)	-	-

24. Property development costs (contd.)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cumulative costs recognised in income statement				
At beginning of financial year/period	(1,388,336)	(1,782,984)	(55,795)	(117,312)
Recognised during the year/period (Note 5)	(259,756)	(309,105)	(8,145)	(22,580)
Reversal of completed projects	354,593	703,753	-	84,097
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	1,293,499	-	63,940	-
At end of financial year/period	-	(1,388,336)	-	(55,795)
Property development costs at end of financial year/period	-	531,022	-	14,541

Interest expense capitalised during the financial year/period under development costs of the Group amounted to RM2,181,000 (2009: RM1,800,000).

Freehold land of the Group costing RM25,974,000 (2009: RM25,974,000) is pledged to financial institutions as securities for borrowings as disclosed in Note 32.

Long term leasehold land of the Group costing RM445,801,000 (2009: RM537,932,000) is pledged to financial institutions as securities for borrowings as disclosed in Note 32.

25. Inventories

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Properties held for sale	39,054	20,449	11,128	10,912	
Trading inventories	7,038	6,109	-	-	
Food and beverages	1,719	1,832	-	-	
Consumables	2,314	2,381	-	-	
	50,125	30,771	11,128	10,912	
Net realisable value					
Properties held for sale	13,700	19,900	-	-	
	63,825	50,671	11,128	10,912	
Attributable to discontinued operation and disposal group classified as					
held for sale (Note 31b)	(63,825)	-	(11,128)	-	
	-	50,671	-	10,912	

26. Trade receivables

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Current					
Third parties	257,599	207,621	6,271	6,199	
Amount due from related parties	2,267	3,414	257	71	
	259,866	211,035	6,528	6,270	
Less: Allowance for impairment	(69,196)	(50,574)	(1,132)	(239)	
	190,670	160,461	5,396	6,031	
Attributable to discontinued operation and disposal group classified as					
held for sale (Note 31b)	(190,670)	-	(5,396)	-	
	-	160,461	-	6,031	

26. Trade receivables (contd.)

		Gro	oup	Company		
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Total trade receivables		-	160,461	-	6,031	
Other receivables (current and non-current)	27	-	135,257	-	84,978	
Add: Cash and bank balances	30	-	438,050	-	39,612	
Total loans and receivables		-	733,768	-	130,621	

Included in trade receivables are the following amounts due from related parties:

	Gr	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Sunway Holdings Berhad Group	882	2,021	175	11	
Sunway Technology Sdn. Bhd. Group	17	29	-	-	
Sunway Education Group Sdn. Bhd. Group	1,238	1,241	72	53	
Dekon Holdings Sdn. Bhd. Group	108	114	10	7	
Asian Strategy & Leadership Incorporated Sdn. Bhd.	11	6	-	-	
Jef-San Enterprise Sdn. Bhd.	3	2	-	-	
Adasia (M) Sdn. Bhd.	8	1	-	-	

The amounts due from related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 50. 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 (2009: 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.

26. Trade receivables (contd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's and Company's trade receivables is as follows:

	Group	Company
	2010 RM'000	2010 RM'000
Neither past due nor impaired	130,558	4,853
1 to 30 days past due not impaired	17,553	-
31 to 60 days past due not impaired	8,183	543
61 to 90 days past due not impaired	10,043	-
91 to 120 days past due not impaired	4,057	-
More than 120 days past due not impaired	20,276	-
	60,112	543
Impaired	69,196	1,132
	259,866	6,528

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. 17% of the Group's trade receivables arise from customers with more than four years of experience with the Group and losses have occurred infrequently.

6% of the Group's trade receivables arise from stakeholder amounts held by lawyers for property development projects, which would be released in full 2 years after completion of respective projects in two stages.

The remainder trade receivables that are neither pass due nor impaired relate to customers with good track record with the Group. Based on past experience, the board believes that no allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

26. Trade receivables (contd.)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

		II				
	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000	Company Collectively impaired RM'000		
As at 31 December 2010						
Trade receivables						
- nominal amounts	6,023	65,385	71,408	1,132		
Less: Allowance for impairment	(3,811)	(65,385)	(69,196)	(1,132)		
	2,212	-	2,212	-		
Movement in allowance for impairment accounts:						
			Group	Company		
			2010 RM'000	2010 RM'000		
At beginning of financial year			50,574	239		
Charge for the year (Note 8)			24,150	893		
Reversal of impairment losses (Note 8)			(1,345)	-		
Written off			(1,222)	-		
Reclassification			(2,927)	-		
Exchange differences			(34)	-		
At end of financial year			69,196	1,132		

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

27. Other receivables

		Group			Company	
	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)	31.12.2010 RM'000	31.12.2009 RM'000 (restated)	1.7.2008 RM'000 (restated)
Short term other receivables						
Deposits	36,412	17,267	9,838	8,711	1,777	980
Prepayments	18,836	21,956	7,456	10,385	10,358	418
Sundry receivables	55,373	32,479	58,777	14,862	9,149	42,743
	110,621	71,702	76,071	33,958	21,284	44,141
Less: Allowance for impairment	(5,120)	(4,033)	(4,021)	(3,894)	(3,894)	(3,822)
	105,501	67,669	72,050	30,064	17,390	40,319
Long term other receivables						
Amounts due from joint venture partners	33,831	67,588	67,588	33,780	67,588	67,588
Total other receivables	139,332	135,257	139,638	63,844	84,978	107,907
Attributable to discontinued operation and						
disposal group classified as held for sale (Note 31b)	(139,332)	-	-	(63,844)	-	-
	-	135,257	139,638	-	84,978	107,907

27. Other receivables (contd.)

Included in sundry receivables are the following amounts due from related parties:

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Sunway Holdings Berhad Group ("Sunway Group")	1,517	608	763	38	
Sunway Education Group Sdn. Bhd. Group	1,747	953	1,710	789	
Dekon Holdings Sdn. Bhd. Group	375	304	21	8	
Perbadanan Kemajuan Negeri Selangor	-	124	-	-	
Adasia (M) Sdn. Bhd.	13	1	12	-	
Akitek Akiprima Sdn. Bhd.	1	1	-	-	

Deposits of the Group include deposits paid amounting to RM20,000,000 (2009: RM2,049,000) for the acquisition of land. In the previous financial period, RM4,535,000 was paid for the acquisition of property, plant and equipment by a subsidiary.

In the previous financial period, prepayment of the Group include down payments amounting to RM1,732,000 for the acquisition of property, plant and equipment by a subsidiary.

The amounts due from joint ventures are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 50.

The amounts due from related parties are unsecured, non-interest bearing and have no fixed terms of repayment except for RM137,000 (2009: RM91,000) due from Sunway Group to the Group and the Company which bears interest at 6.30% (2009: 6.55%) 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 50.

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.

Movement in allowance for impairment accounts:

	Group	Company
	2010 RM'000	2010 RM'000
At beginning of financial year	4,033	3,894
Acquisition of a subsidiary	1,087	-
At end of financial year	5,120	3,894

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 except for the RM12,000,000 (2009: RM12,000,000) amount owing from Sunway Fawanis JV which has a 12 years repayment term.

30. Cash and bank balances

	Gr	Group		pany
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash on hand and at banks	271,689	275,647	64,989	39,374
Deposits with:				
Licensed banks	122,575	114,289	10,658	238
Other financial institutions	118,895	48,114	-	-
	513,159	438,050	75,647	39,612
Attributable to discontinued operation and disposal group classified as				
held for sale (Note 31b)	(513,159)	-	(75,647)	-
Cash and bank balances	-	438,050	-	39,612

Included in cash at banks of the Group and of the Company are amounts of RM110,612,000 (2009: RM151,614,000) and RM16,874,000 (2009: RM11,719,000) respectively held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

The effective interest rate of deposits with both licensed banks and other financial institutions of the Group and of the Company ranges from 1.95% to 4.05% (2009: 1.95% to 3.86%) and 1.98% to 3.00% (2009: 1.90% to 3.2%) respectively with the exception of a subsidiary where deposits with licensed bank and financial institutions bore interest at rates ranges from 10% to 12%.

The range of maturities of deposits with licensed banks and other financial institutions of the Group and of the Company are 1 to 720 days (2009: 1 to 30 days) and 1 to 20 days (2009: 1 to 30 days) respectively.

30. Cash and bank balances (contd.)

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the reporting date:

		•			
	Group		Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Cash and bank balances	513,159	438,050	75,647	39,612	
Bank overdrafts (Note 32)	(1,091)	(7,692)	-	-	
Total cash and cash equivalents	512,068	430,358	75,647	39,612	

31a. Non-current assets classified as held for sale

	Gr	oup
	2010 RM'000	2009 RM'000
At beginning of financial year/period	-	2,537,358
Reclassified from/(to):		
Investment properties (Note 16)	2,786,865	(2,050,220)
Property, plant and equipment (Note 14)	466,510	(454,594)
Disposal	(3,253,375)	(32,544)
At end of financial year/period	-	-

31b. Discontinued operation and disposal group classified as held for sale

Pursuant to the offer to acquire all of the business and undertaking of the Company including all Assets and Liabilities of the Company by Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("SSB") on 24 November 2010 (the "Offer") and the subsequent decision to accept the Offer by the non-interested Directors of the Company on 14 December 2010 as disclosed in Note 55, the criteria to be classified as held for sale under FRS 5: Non-current Assets (And Disposal Group) Held for Sale ("FRS 5") is regarded as met. Accordingly, all assets, liabilities and related reserves of the Group and the Company have been classified and presented on the statements of financial position as at 31 December 2010 as disposal group held for sale in accordance with FRS 5. The entire results of the Group and of the Company for the current financial year ended 31 December 2010 and the comparative financial period ended 31 December 2009 have also been presented on the income statements and statements of comprehensive income as "Discontinued Operations". The above transaction has yet to be completed as at the date on which the financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue by the board of directors.

31b. Discontinued operation and disposal group classified as held for sale (contd.)

		Group	Company
	Note	2010 RM'000	2010 RM'000
Assets			
Property, plant and equipment	14	583,639	8,621
Biological assets	15	461	-
Investment properties	16	666,825	98,995
Land held for property development	17	389,796	2,277
Investments in subsidiaries	18	-	623,914
Amounts due from subsidiaries	19	-	645,208
Investments in associates	20	920,699	893,694
Investments in jointly controlled entities	21	159,053	57,101
Goodwill	22	202,253	-
Other investments	23	10,936	10,853
Property development costs	24	529,154	12,779
Inventories	25	63,825	11,128
Trade receivables	26	190,670	5,396
Other receivables	27	139,332	63,844
Amounts due from associates	28	1,521	1,521
Amounts due from jointly controlled entities	29	133,884	133,884
Tax recoverable		33,599	22,080
Cash and bank balances	30	513,159	75,647
Deferred tax assets	37	26,000	-
Assets of disposal group classified as held for sale		4,564,806	2,666,942

31b. Discontinued operation and disposal group classified as held for sale (contd.)

		Group	Company
	Note	2010 RM'000	2010 RM'000
Liabilities			
Borrowings	32	(784,651)	(256,834)
Long term liabilities	33	(28,465)	-
Advances by minority shareholders of subsidiaries	34	(152,368)	-
Amounts due to subsidiaries	35	-	(351,156)
Hire purchase and finance lease liabilities	36	(35,564)	(104)
Deferred tax liabilities	37	(63,690)	(14,291)
Trade payables	38	(287,213)	(7,727)
Other payables	39	(302,900)	(76,405)
Amounts due to associates	28	(12,485)	(12,485)
Derivatives	40	(1,621)	(1,621)
Current tax payable		(41,221)	-
Liabilities of disposal group classified as held for sale		(1,710,178)	(720,623)
Net assets of disposal group classified as held for sale		2,854,628	1,946,319

31b. Discontinued operation and disposal group classified as held for sale (contd.)

		Group	Company
	Note	2010 RM'000	2010 RM'000
Reserve	Hoto	11111 000	11111 000
Fair value adjustment reserve	44	49,967	-
Capital reserve	44	75,175	-
Foreign currency translation reserve	44	9,372	-
Reserve of disposal group classified as held for sale		134,514	-

32. Borrowings

	Gro	oup	Com	Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Short term borrowings					
Secured:					
Bank overdrafts	1,091	7,692	-	-	
Revolving credits	188,000	70,500	186,000	68,500	
Term loans	81,476	117,544	-	42,809	
	270,567	195,736	186,000	111,309	
Unsecured:					
Term loans	25,000	225,000	25,000	225,000	
Medium term notes	-	84,984	-	84,984	
Bonds	-	196,233	-	196,233	
	25,000	506,217	25,000	506,217	
	295,567	701,953	211,000	617,526	

32. Borrowings (contd.)

		Gro	oup	Com	Company		
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000		
Long term borrowings							
Secured:							
Term loans		459,084	871,562	15,834	-		
Unsecured:							
Term loans		30,000	-	30,000	-		
		489,084	871,562	45,834	-		
Total borrowings							
Bank overdrafts	30	1,091	7,692	-	-		
Revolving credits	(a)	188,000	70,500	186,000	68,500		
Term loans	(b)	595,560	1,214,106	70,834	267,809		
Medium term notes	(c)	-	84,984	-	84,984		
Bonds	(d)	-	196,233	-	196,233		
		784,651	1,573,515	256,834	617,526		
Attributable to discontinued operation and							
disposal group classified as held for sale (Note 31b)		(784,651)	-	(256,834)			
		-	1,573,515	-	617,526		

⁽a) The revolving credits bear a weighted average effective interest rate of 4.32% (2009: 3.93%) 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.

32. Borrowings (contd.)

(b) Details of the term loans are as follows :

		Weighted			Gro	oup	Com	pany
Loan	Name of companies	average effective interest rate 2010/2009 (%)	Repayment terms	Commencement of repayment	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Type 1	Sunway City Berhad	4.50 / 5.50	60 months or by way of redemption	June 2012	15,834	42,809	15,834	42,809
Type 2	Sunway Medical Centre Berhad	4.14 / 7.59	27 quarterly repayments	April 2011	4,325	8,016	-	-
Type 3	Sunway Medical Centre Berhad	4.12 / 6.84	27 quarterly repayments	April 2011	42,449	49,347	-	-
Type 4	Sunway Medical Centre Berhad	4.17 / -	27 quarterly repayments	April 2011	19,000	-	-	-
Type 5	Sunway Medical Centre Berhad	3.36 / -	60 Monthly repayments	July 2010	2,745	-	-	-
Type 6	Sunway Grand Sdn. Bhd.	4.24 / 5.70	2 years	June 2009	-	1,318	-	-
Type 7	Sunway Platinum Success Sdn. Bhd.	4.49 / 4.44	10 years	September 2009	121,280	129,320	-	-

32. Borrowings (contd.)

(b) Details of the term loans are as follows (contd.):

		Weighted			Gro	oup	Com	pany
Loan	Name of companies	average effective interest rate 2010/2009 (%)	Repayment terms	Commencement of repayment	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Type 8	Sunway Resort Hotel Sdn. Bhd.	3.75 / 3.75	7 years	August 2007	-	22,500	-	-
Type 9	Sunway Lagoon Water Park Sdn. Bhd.	3.75 / 3.75	10 years	April 2007	16,200	18,900	-	-
Type 10	Sunway D'Mont Kiara Sdn. Bhd.	6.76 / 7.75	3 years-by way of redemption	September 2009	61,231	46,448	-	-
Type 11	Sunway South Quay Sdn. Bhd.	4.80 / 4.71	60 monthly repayments or by way of redemption	June 2008	70,992	74,413	-	-
Type 12	Sunway South Quay Sdn. Bhd.	6.10 / -	48 monthly repayments or by way of redemption	March 2012	40,073	-	-	-
Type 13	Sunway City Berhad	4.79 / 4.79	Bullet repayment	March 2010	-	150,000	-	150,000
Type 14	SunCity Vietnam Sdn. Bhd.	3.78 / -	7 years	September 2010	25,344	-	-	-

32. Borrowings (contd.)

(b) Details of the term loans are as follows (contd.):

		Weighted average			Gro	oup	Com	pany
Loan	Name of companies	effective interest rate 2010/2009 (%)	Repayment terms	Commencement of repayment	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Type 15	Peluang Klasik (M) Sdn. Bhd.	4.63 / 5.08	10 years	May 2006	-	12,175	-	-
Type 16	Sunway Carnival Sdn. Bhd.	4.66 / 4.71	Bullet repayment	June 2009	-	125,500	-	-
Type 17	Sunway Pyramid Sdn. Bhd.	3.60 / 4.06	Bullet repayment	July 2006	-	283,300	-	-
Type 18	Sunway Melawati Sdn. Bhd.	6.05 / 6.50	10 months	December 2013	2,138	1,360	-	-
Type 19	Sunway Monash-U Residence Sdn. Bhd.	4.56 / -	Bullet repayment	January 2013	17,975	-	-	-
Type 20	Sunway Monash-U Residence Sdn. Bhd.	4.64 / -	Bullet repayment	January 2013	54,998	-	-	-
Type 21	Sunway City Berhad	4.43 / 5.41	Bullet repayment	February 2011	25,000	25,000	25,000	25,000
Type 22	Kinta Sunway Resort Sdn. Bhd.	3.75 / 3.75	44 quarterly repayments	January 2011	18,542	14,310	-	-

32. Borrowings (contd.)

(b) Details of the term loans are as follows (contd.):

		Weighted			Gro	oup	Com	pany
Loan	Name of companies	average effective interest rate 2010/2009 (%)	Repayment terms	Commencement of repayment	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Type 23	Sunway City Berhad	4.44 / 5.41	Bullet repayment	February 2012	30,000	30,000	30,000	30,000
Type 24	Sunway City Berhad	3.96 / 5.41	Bullet repayment	January 2010	-	20,000	-	20,000
Type 25	Sunway International Vacation Club Berhad	7.72 / 8.50	5 years	October 2007	930	1,390	-	-
Type 26	Sunway Tower 2 Sdn. Bhd.	3.55 / 4.70	37 quarterly repayments	March 2009	-	129,000	-	-
Type 27	Sunway Grand Sdn. Bhd.	4.27 / 4.13	Bullet repayment or by way of redemption	July 2011	8,504	11,000	-	-
Type 28	Sunway Grand Sdn. Bhd.	4.27 / 3.88	8 quarterly repayments or by way of redemption	March 2011	18,000	18,000		-
Total Tern	n Loans				595,560	1,214,106	70,834	267,809

32. Borrowings (contd.)

(b) The maturity of the term loans are as follows:

	Gro	Group		Company	
	2010 RM'000		2010 RM'000	2009 RM'000	
Not later than 1 year	106,476	342,544	25,000	267,809	
Later than 1 year and not later than 2 years	183,917	177,405	42,000	-	
Later than 2 years and not later than 3 years	49,125	56,710	-	-	
Later than 3 years and not later than 4 years	34,016	54,309	-	-	
Later than 4 years and not later than 5 years	38,191	39,902	3,834	-	
Later than 5 years	183,835	543,236	-	-	
	595,560	1,214,106	70,834	267,809	

(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 year.

All previously issued MMTN by the Company has been fully paid off during the current financial year.

Details of the outstanding MTNs and MMTNs are as follows:

	Group/0	Company
	2010 RM'000	2009 RM'000
MMTNs - unsecured:		
Par value issued	-	85,000
Less: Discount on issuance, net of amortisation	-	(16)
	-	84,984

32. Borrowings (contd.)

(d) During the previous financial period, 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 42.

All previously issued bonds by the Company has been fully paid off during the current financial year.

Details of outstanding Bonds are as follows:

	Group/C	ompany
	2010 RM'000	2009 RM'000
Par value issued	-	200,000
Less: Discount on issuance, net of amortisation	-	(3,767)
	-	196,233

The secured borrowings of the Group and of the Company are secured by legal charges on certain of the Group's and Company's lands classified as disposal group as well as fixed and floating charges on certain of the Group's and Company's assets classified as disposal group amounting to RM1,419,467,000 (2009: RM3,478,844,000) and RM31,039,000 (2009: Nil) respectively as disclosed in Notes 14, 16, 17 and 24.

33. Long term liabilities

		Group/C	ompany
	Note	2010 RM'000	2009 RM'000
Deferred income:	(a)		
At end of financial year/period		29,032	16,503
To be recognised within 1 year	39 (b)	(567)	(574)
To be recognised after 1 year		28,465	15,929
Refundable deposits	(b)	-	16,683
Liability portion of the redeemable preference shares held by minority shareholders	(c)	-	7,143
		28,465	39,755
Attributable to discontinued operations and disposal group classified as held for sale	31b	(28,465)	-
		-	39,755

33. Long term liabilities (contd.)

- (a) Deferred income represents deferred timeshare membership fees which are to be recognised over the membership period.
- (b) In the previous financial period, refundable deposits were in respect of deposits received by subsidiaries for tenancy contracts for a tenure of two (2) to three (3) years.
- (c) Liability portion of the redeemable preference shares held by minority shareholders represents 5% Redeemable Convertible Preference Shares issued by Sunway Tunas 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 or convertible to ordinary shares on the basis of one convertible preference shares of RM1 each any time after 16 May 1999. The 5% Redeemable Convertible Preference Shares was fully redeemed in the current financial year.

34. Advances by minority shareholders of subsidiaries

Included in advances by minority shareholders of subsidiaries is contribution of RM112,398,000 (2009: 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% (2009: 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.

35. Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, on demand repayment term and bear interest at rates ranging from 2.78% to 6.35% (2009: 3.35% to 7.50%) per annum except for RM82,454,000 (2009: RM194,444,000) which is non-interest bearing.

36. Hire purchase and finance lease liabilities

	Gr	oup	Com	pany
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Future minimum lease payments:				
Not later than 1 year	11,460	8,488	105	388
Later than 1 year and not later than 2 years	10,019	6,968	-	105
Later than 2 years and not later than 3 years	9,014	5,592	-	-
Later than 3 years and not later than 4 years	7,448	4,735	-	-
Later than 4 years and not later than 5 years	1,936	3,005	-	-
Later than 5 years	-	5	-	-
Total future minimum lease payments	39,877	28,793	105	493
Less: Future finance charges	(4,313)	(3,341)	(1)	(20)
	35,564	25,452	104	473
Attributable to discontinued operation and disposal group				
classified as held for sale (Note 31b)	(35,564)	-	(104)	-
Present value of finance lease liabilities	-	25,452	-	473
Analysis of present value of finance lease liabilities:				
Not later than 1 year	9,551	7,083	104	369
Later than 1 year and not later than 2 years	8,723	5,983	-	104
Later than 2 years and not later than 3 years	8,244	5,004	-	-
Later than 3 years and not later than 4 years	7,148	4,435	-	-
Later than 4 years and not later than 5 years	1,898	2,942	-	-
Later than 5 years	-	5	-	-
	35,564	25,452	104	473

36. Hire purchase and finance lease liabilities (contd.)

	Group		Com	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000		
Analysis of present value of finance lease liabilities (contd.)						
Attributable to discontinued operation disposal group classified as						
held for sale (Note 31b)	(35,564)	-	(104)	-		
Less: Amount due within 12 months	-	(7,083)	-	(369)		
Amount due after 12 months	-	18,369	-	104		

The Group has finance leases and hire purchase contracts for various items of property, plant and equipment as disclosed in Note 14. 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.

RM15,869,000 (2009: RM11,517,000) and RM104,000 (2009: RM472,000) 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 Group, Sunway Credit Sdn. Bhd. and Sunway Leasing Sdn. Bhd.. The relationship with the related party is as disclosed in Note 50.

The hire purchase and finance lease liabilities of the Group and of the Company attracted interest at rates ranging from 2.16% to 4.25% (2009: 3.21% to 5.00%) and 3.30% to 4.00% (2009: 3.30% to 4.00%) respectively.

37. Deferred tax

	Gro	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
At beginning of financial year/period	412,845	235,974	9,350	10,139	
Recognised in income statement (Note 11)	(385,452)	176,871	4,941	(789)	
Acquisition of subsidiaries (Note 18)	10,297	-	-	-	
Attributable to discontinued operation and disposal group classified as					
held for sale (Note 31b)	(37,690)	-	(14,291)	-	
At end of financial year/period	-	412,845	-	9,350	

37. Deferred tax (contd.)

	Gro	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Presented after appropriate offsetting as follows:					
Deferred tax assets	-	(22,175)	-	-	
Deferred tax liabilities	-	435,020	-	9,350	
	-	412,845	-	9,350	
Attributable to discontinued operation and disposal group classified as					
held for sale (Note 31b)					
- Deferred tax assets	26,000	-	-	-	
- Deferred tax liabilities	(63,690)	-	(14,291)	-	
	(37,690)	-	(14,291)	-	

The components and movements of deferred tax liabilities and assets during the financial year/period prior to offsetting and being classified as disposal group classified as held for sale 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
Recognised in income statement	(18,627)	(380,373)	(396)	(399,396)
Acquisition of subsidiaries (Note 18)	10,297	-	-	10,297
At 31 December 2010	19,265	64,642	28	83,935

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 January 2010	(3,227)	(33,256)	(16,707)	(1,155)	(5,844)	(60,189)
Recognised in income statement	1,702	12,842	862	1,050	(2,512)	13,944
At 31 December 2010	(1,525)	(20,414)	(15,845)	(105)	(8,356)	(46,245)

Deferred tax liabilities of the Company:

	Property, plant and equipment RM'000	Investments properties RM'000	Total RM'000
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
Recognised in income statement	390	1,953	2,343
At 31 December 2010	835	19,593	20,428

37. Deferred tax (contd.)

Deferred tax assets of the Company:

	Tax losses and unabsorbed capital allowances RM'000	Receivables/ payables RM'000	Total RM'000
At 1 July 2008	(5,847)	(312)	(6,159)
Recognised in income statement	(2,538)	(38)	(2,576)
At 31 December 2009	(8,385)	(350)	(8,735)
Recognised in income statement	4,410	(1,812)	2,598
At 31 December 2010	(3,975)	(2,162)	(6,137)

Deferred tax assets have not been recognised in respect of the following items:

	Group	ı
	2010 RM'000	2009 RM'000
Unused tax losses	70,528	63,907
Unabsorbed capital allowances	27,401	116,456
Other deductible temporary differences	383,222	410,776
	481,151	591,139

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.

37. Deferred tax (contd.)

Section 44(5A) and Paragraph 75A of Schedule 3 of the MITA which became effective in Year of Assessment ("YA") 2006 restricts the utilisation of unabsorbed business losses and capital allowance where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses/capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses/capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

38. Trade payables

Included in trade payables are the following amounts due to related parties:

	Gro	oup	Com	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000		
Sunway Holdings Berhad Group	5,654	10,571	13	142		
Sunway Technology Sdn. Bhd. Group	2	56	-	-		
Dekon Holdings Sdn. Bhd. Group	6,675	36,846	-	9		

The amounts due to related parties are unsecured and non-interest bearing. The relationship with the related parties is as disclosed in Note 50.

The normal trade credit terms granted to the Group and the Company range from 15 days to 90 days (2009: 15 days to 90 days) and 30 days (2009: 30 days) respectively.

39. Other payables

		Gro	oup	Com	pany
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Sundry payables	(a)	160,943	159,487	61,413	60,507
Amounts due to contractors and consultants	(a)	17,675	11,469	-	4
Accruals		105,544	98,644	12,937	14,921
Refundable deposits		18,166	62,753	2,055	1,049
Progress billings in respect of property development costs		-	1,193	-	-
Dividends payable to minority shareholders of subsidiaries		5	7,205	-	-
Deferred income	(b)	567	574	-	-
		302,900	341,325	76,405	76,481
Attributable to discontinued operation and disposal group classified as held for sale (Not	e 31b)	(302,900)	-	(76,405)	-
		-	341,325	-	76,481

(a) Included in sundry payables and amounts due to contractors and consultants are the following amounts due to related parties:

	G	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Sunway Holdings Berhad Group	22,184	27,312	1,357	766	
Sunway Technology Sdn. Bhd. Group	177	111	8	-	
Sunway Education Group Sdn. Bhd. Group	4,217	6,676	141	13	
Dekon Holdings Sdn. Bhd. Group	37,626	3,928	57	4	
Koperasi Tunas Muda Sungai Ara Berhad Group	-	23	-	-	
Perbadanan Kemajuan Negeri Selangor	-	26	-	-	
Adasia (M) Sdn. Bhd.	173	67	172	2	
Infra Melia Sdn. Bhd.	4	-	-	-	

The relationship with the above related parties is as disclosed in Note 50.

39. Other payables (contd.)

(b) Included in deferred income of the Group are:

	Group		
	2010 RM'000	2009 RM'000	
Deferred timeshare membership fees (Note 33)	567	574	

40. Derivatives

The derivative at the reporting date relates to interest rate swap. An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. The Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap receives floating interest rate equal to KLIBOR per annum, pays fixed rate of interest of 4.2% per annum.

The fair value of the swap contracts are determined by using the market rates at the end of reporting period and changes in the fair value is recognised in the profit or loss.

During the financial year, the Group recognised a net gain of RM1,994,000 arising from fair value changes of derivative liabilities. The contract amount and the fair value of the derivative liability of the Group amounted to RM100,000,000 and RM1,621,000 respectively.

41. Share capital

	Group/Company Number of shares of RM1 each		Group/Company Amount	
	2010 '000	2009 '000	2010 RM'000	2009 RM'000
Authorised				
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

41. Share capital (contd.)

		Group/Company Number of shares of RM1 each		Group/Company Amount	
	Note	2010 '000	2009 '000	2010 RM'000	2009 RM'000
Issued and fully paid					
Ordinary shares of RM1 each:					
At beginning of financial year/period		469,952	469,919	469,952	469,919
Issued during the year/period pursuant to ESOS	(a), (b)	60	2	60	2
Issued during the year/period pursuant to exercise of warrants	(a), 42	-	31	-	31
At end of financial year/period		470,012	469,952	470,012	469,952

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) During the financial year, the Company increased its issued and paid-up share capital from RM469,951,432 to RM470,011,432 by way of the issuance of 60,000 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.

The new ordinary shares issued during the financial year 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;

41. Share capital (contd.)

- (b) (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
 - (vi) The options granted may be exercised in the following manner:

		Maximum percentage of	f	
Number of options granted	nber of options granted 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

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 year/period:

	Outstanding at beginning of financial year '000	Exercised '000	Forfeited '000	Outstanding at end of financial year '000	Exercisable at end of financial year '000
2010					
First offer	96	(60)	(25)	11	11
Fourth offer	2,382	-	(240)	2,142	2,142
Fifth offer	36	-	-	36	36
	2,514	(60)	(265)	2,189	2,189
WAEP (RM)	4.65	1.00	4.46	4.77	4.77

^{# 30%} or the remaining number of options unexercised

41. Share capital (contd.)

(b)

	Outstanding at beginning of financial year '000	Exercised '000	Forfeited '000	Outstanding at end of financial year '000	Exercisable at end of financial year '000
2009					
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

Details of share options outstanding at the end of the year/period:

	WAEP RM	Exercise period
31 December 2010/2009		
First offer	1.00	22.9.2003 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 year/period resulted in the issuance of 60,000 (2009: 2,000) ordinary shares at an average price of RM1.00 (2009: RM1.00) each. The related weighted average share price at the date of exercise was RM3.98 (2009: RM3.12).

42. Warrants

There is no warrant issued by the Company for the current 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.

42. Warrants (contd.)

During the financial year/period, the movements in the Company's warrants are as follows:

		company rants 2007/2017	Group/Company Amount		
	2010 '000	2009 '000	2010 RM'000	2009 RM'000	
At beginning of financial year/period	153,297	153,328	22,995	23,000	
Exercised during the period (Note 41)/(Note 43)	-	(31)	-	(5)	
At end of financial year/period	153,297	153,297	22,995	22,995	

43. Share premium

	Group/0	Company
	2010 RM'000	2009 RM'000
At beginning of financial year/period	308,857	308,733
Arising from issuance of new ordinary shares pursuant to exercise of warrants	-	119
Transfer from warrants (Note 42)	-	5
At end of financial year/period	308,857	308,857

44. Reserves

		Gro	oup	Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable reserves:					
Capital reserve	(a), 31b	75,175	73,960	-	
Share option reserve	(b)	3,358	3,358	3,358	3,358
Fair value adjustment reserve	(c), 31b	49,967	-	-	
Foreign currency translation reserve	(d), 31b	9,372	14,233	-	-
Total non-distributable reserves		137,872	91,551	3,358	3,358
Distributable reserve:					
Retained earnings	(e)	1,656,814	1,278,981	1,141,097	22,583
Total reserves		1,794,686	1,370,532	1,144,455	25,941
Attributable to discontinued operation and disposal					
group classified as held for sale	31b	(134,514)	-	-	
		1,660,172	1,370,532	1,144,455	25,941

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.

44. Reserves (contd.)

(c) Fair value adjustment reserve

Fair value adjustment reserve represents the Group's share of jointly controlled entities' other reserves arising from measuring shareholders' advances at fair value and the reserve arising from the fair valuation of minority interests' advances to certain subsidiaries.

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(e) Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is 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 Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2010, the Company has sufficient credit in the Section 108 balance to pay franked dividends amounting to RM131,647,000 (2009: RM22,583,000) out of its retained earnings. If the balance of the retained earnings of RM1,009,450,000 were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

As at 31 December 2010, the Company has tax exempt profits available for distribution of approximately RM53,471,000 (2009: RM53,471,000), subject to the agreement of the Inland Revenue Board.

45. Minority interests

All the preference shares issued to minority shareholders of certain subsidiaries in previous financial years were fully redeemed during the current financial year.

46. Operating lease agreements

(a) The Group and the Company as lessee

The Group has entered into a non-cancellable operating lease agreement with Sunway REIT, a related party. The relationship with the related party is as disclosed in Note 50. The lease with Sunway REIT is for the use of leasehold lands and hotel buildings.

The Company has entered into a non-cancellable operating lease agreement with a subsidiary for the use of a piece of leasehold land.

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than 1 year	41,999	-	78	78
Later than 1 year and not later than 5 years	145,757	-	312	312
Later than 5 years	157,274	-	481	559
	345,030	-	871	949
Attributable to discontinued operation and disposal group classified as held for sale	345,030	-	871	-

(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 50.

The Company has entered into a non-cancellable operating lease agreements on a leasehold property with a subsidiary company.

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 reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Not later than 1 year	15,059	29,646	328	328
Later than 1 year and not later than 5 years	59,746	59,422	1,310	1,310
Later than 5 years	91,608	106,464	2,020	2,348
	166,413	195,532	3,658	3,986
Attributable to discontinued operation and disposal group classified as held for sale	166,413	-	3,658	-

46. Operating lease agreements (contd.)

(b) The Group and the Company as lessors (contd.)

Rental income recognised in profit or loss during the financial year/period is disclosed in Note 4 and Note 6.

47. Capital commitments

	Gr	oup
	2010 RM'000	2009 RM'000
Capital expenditure		
Approved and contracted for Property, plant and equipment and investment properties	18,699	42,246
Approved but not contracted for Property, plant and equipment and investment properties	11,362	3,684
	30,061	45,930

48. Contingent liabilities

	Gr	oup	Company		
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Unsecured:					
Guarantees given to licensed financial institutions for banking					
facilities granted to subsidiaries	-	-	28,929	14,458	
Guarantees given to third parties in respect of trade and contracts	30,305	17,101	1,376	910	
	30,305	17,101	30,305	15,368	

49. Significant inter-company transactions

		Company		
Discontinued operations	Note	2010 RM'000	2009 RM'000	
Dividends receivable from subsidiaries		(1,239,852)	(58,929)	
Dividend receivable from jointly controlled entity		(45,000)	(34,825)	
Interest receivable from subsidiaries	(i)	(20,778)	(38,976)	
Rental receivable from subsidiaries	(ii)	(2,821)	(4,149)	
Management fee receivable from a subsidiary		-	(240)	
Accounting services fees payable to a subsidiary		1,240	1,095	
Interest payable to subsidiaries	(iii)	13,282	10,452	
Rental payable to subsidiaries	(iv)	1,271	2,643	
Hotel and related expenses payable to a subsidiary		998	740	
Medical services expenses payable to a subsidiary		146	394	
Disposal of land to a subsidiary		22	-	

- (i) The interest receivable arose from the amounts due from subsidiaries. Further details are disclosed in Note 19.
- (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.
- (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.

50. Significant related party transactions

During the year/period, the Group transacted with certain related parties. The transactions are principally payable to/(receivable from) the related parties in respect of:

		Gr	oup
		1.1.2010 to	1.7.2008 to
Name of companies	Nature of transactions	31.12.2010 RM'000	31.12.2009 RM'000
Discontinued Operations			
(a) Sunway Holdings Berhad Group	Construction costs	28,068	119,674
("Sunway Holdings Group")	Management fees	967	932
	Insurance premium	5,066	10,472
	Lease rental	9,173	6,992
	Purchase of building materials	980	2,507
	Rental of construction machineries	39	52
	Service level agreement services	313	179
	Rental income	(3,957)	(9,478)
	Hotel and related services	(1,613)	(2,336)
	Recreational services	(292)	(443)
	Ticketing and tour sales	(1,961)	(4,010)
	Medical services	(178)	(292)
	Property management services	(552)	(1,054)
	Sales of development properties	(44)	(65)
(b) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	1,128	1,427
	Hotel and related services	(35)	(55)
	Ticketing and tour sales	(62)	(87)
	Medical services	(22)	(19)
	Rental income	(185)	(488)
	Recreational services	(3)	(2)
	Property management services	(36)	(90)
(c) Perbadanan Kemajuan Negeri Selangor Group ("PKNS Group")	Construction costs	6,000	6,088

		Gro	oup
Name of companies	Nature of transactions	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued Operations			
(d) Adasia (M) Sdn. Bhd. ("Adasia")	Advertising fees Medical services Recreational services Rental income Property management services	3,357 (2) (2) (79) (12)	1,549 (1) (3) (167) (12)
(e) Sunway Education Group Sdn. Bhd. Group ("SEG Group")	Conference and seminar Rental income Recreational services Hotel and related services Ticketing and tour sales Medical services Property management services	1,370 (28,788) (48) (1,642) (2,225) (102) (122)	108 (41,347) (30) (1,592) (2,393) (108) (20)
(f) Asian Strategy & Leadership Incorporated Sdn. Bhd. ("ASLI")	Ticketing and tour sales Medical services Recreational services Rental income	(3) (3) (1)	(4) (5) (4) (2)

		Gro	oup
		1.1.2010	1.7.2008
Name of companies	Nature of transactions	to 31.12.2010 RM'000	to 31.12.2009 RM'000
Discontinued Operations			
(g) Dekon Holdings Sdn. Bhd. Group ("DHSB Group")	Construction costs	135,191	194,168
	Landscaping services	2,475	8,010
	Interior design works	4,385	4,983
	Renovation works	3,267	10,424
	Cleaning and maintenance	522	-
	Ticketing and tour sales	(9)	(40
	Medical services	(31)	(29
	Recreational services	(152)	(6
	Rental income	(446)	(865
	Hotel and related services	(5)	(110
	Property management services	(165)	(175
	Service level agreement services	-	(26
	Sales of development properties	(16)	
h) Sunway REIT (OSK Trustee)	Lease of Sunway Resort Hotel & Spa	13,191	
	Lease of Sunway Hotel Seberang Jaya	1,206	
	Leasing/rental of properties in respect of:		
	Sunway Pyramid Convention Centre	795	
	Sunway Carnival Convention Centre	286	
	Menara Sunway and accommodation for security staff	730	
	Rental and management of car parks and related services	3,632	
	Management services	(5,664)	
	Property management and related services	(4,749)	

		Gi	oup
Name of accounting	Natura of Arranga Natura	1.1.2010 to 31.12.2010	1.7.2008 to 31.12.2009
Name of companies	Nature of transactions	RM'000	RM'000
Discontinued Operations (i) Akitek Akiprima Sdn. Bhd. ("AASB")	Architectural consultancy Rental income	40	1,055 (2)
(j) Jef-San Enterprise Sdn. Bhd. ("Jef-San")	Medical services	(4)	(18)
(k) Infra Melia Sdn. Bhd. ("Infra Melia")	Recreational services	(4)	-

- (ii) 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 Berhad and the Group 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, a 83.5% owned subsidiary of the Company and is a director of Sunway Management Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Berhad. 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 Berhad 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 Sunway Damansara Sdn. Bhd. Group by virtue of its 40% direct interest in Sunway Damansara Sdn. Bhd., a 60% owned subsidiary of the Company.

- (ii) (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 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, Sarena Cheah Yean Tih and Evan Cheah Yean Shin have deemed interests in SEG Group.
 - (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 Group 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. Datuk Razman M Hashim who is a director of the Group and shareholder of the Company, is also a director of ASLI.
 - (g) DHSB Group is deemed related to the Group by virtue of Datuk Razman M Hashim's interests in DHSB Group and the Company. Datuk Razman M Hashim is also a director of the Group and shareholder of the Company.
 - (h) AASB is deemed related to the Group by virtue of Cheah Teik Jin's directorship and major 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 major 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.
 - (j) Infra Melia is deemed related to the Group by virtue of Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng's and Sarena Cheah Yean Tih's directorships and major shareholdings in Infra Melia. Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih are the spouse and child of Tan Sri Dato Seri Dr. Jeffrey Cheah Fook Ling respectively.
 - Information regarding outstanding balances arising from related party transactions as at 31 December 2010 are disclosed in Notes 26, 27, 38 and 39.

50. Significant related party transactions (contd.)

(iii) The remuneration of the directors and other members of key management during the year/period are as follows:

	Gro	oup	Com	pany
	1.1.2010	1.7.2008	1.1.2010	1.7.2008
	to	to	to	to
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Discontinued operations	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	11,195	13,965	7,891	9,170
Post-employment benefits: Defined contribution plan	1,220	1,502	854	1,003
	12,415	15,467	8,745	10,173

(iv) Included in the total key management personnel are:

	Group		Company	
	1.1.2010	1.7.2008	1.1.2010	1.7.2008
	to	to	to	to
	31.12.2010 31.12.2009 31.12.2010		31.12.2009	
Discontinued operations	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 10)	11,255	14,020	7,586	8,725

(v) Included in the total key management personnel are:

Executive directors of the Group and the Company and other members of key management have been granted the following number of options under the Employee Share Options Scheme ("ESOS"):

	Group	
	1.1.2010 1.7.2	
	to	to
	31.12.2010	31.12.2009
Discontinued operations	RM'000	RM'000
At beginning of financial year/period	-	150
Resigned	-	(150)
At end of financial year/period	-	-

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

51. Subsidiaries and associates

Details of the subsidiaries and associates are as follows:

Name of companies	Country of incorporation	Principal activities	Proportion ownership inte	
			2010 %	200 9
(a) Subsidiaries of Sunway City Berhad				
Bintutara Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
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	Dormant	52	52
Sunway City Properties Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	100	51
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotel business	100	52
Sunway Lagoon Club Berhad	Malaysia	Recreational club facilities	83.5	83.5
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour agent	100	100
Sunway Hospitality Holdings Ltd.	British Virgin Islands	Hotel management	100	100

Name of companies	Country of incorporation	Principal activities	Proportion o ownership inter	
			2010 %	2009 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Emerald Tycoon Sdn. Bhd.	Malaysia	Investment holding	100	100
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	-	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	100	100
		shared services		
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development	65	65
		and investment holding		
Sunway Damansara Sdn. Bhd.	Malaysia	Property development	60	60
		and investment holding		
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator and	100	-
(formerly known as Mega Capacity Sdn. Bhd.)		car park management		
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

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Monash Residence Sdn. Bhd.	Malaysia	In the process of being struck off pursuant to section 308 of the Act	100	100
# Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services and investment holding	100	100
Sunway FitOut 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
Sunway City (JB) Sdn. Bhd. (formerly known as Asli Budimas Sdn. Bhd.)	Malaysia	Property development	100	-
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100
Menara Sunway Sdn. Bhd.	Malaysia	Building facilities management	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	Dormant	100	100

Name of companies	Country of incorporation Principal activities		Proportion of ownership interest	
			2010 %	2009 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Platinum Success Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Medical tourism	100	100
Sunway Residence Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Leisure 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	Property investment	100	100
Sunway Homes (MM2H) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Tower 1 Sdn. Bhd.	Malaysia	Property investment	100	100
Worldclass Symphony Sdn. Bhd.	Malaysia	Property investment	100	100
# Sunway Shopping Centre Management Private	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	Managing and administering real estate investment fund	100	100
Spring Ambience Sdn. Bhd.	Malaysia	Property investment	100	100
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100

Name of companies	Country of incorporation	Principal activities	Proportion ownership into	
			2010 %	2009 %
(a) Subsidiaries of Sunway City Berhad (contd.)				
Sunway Medical Centre Berhad	Malaysia	Operator of a medical centre	84.79	78
Sunway Loyalty Card Sdn. Bhd. (formerly known as Loyal Connection Sdn. Bhd.)	Malaysia	Loyalty card program	100	-
Sunway Pinnacle Sdn. Bhd. (formerly known as Quest Affinity Sdn. Bhd.)	Malaysia	Property investment	100	-
SunCity Vietnam Sdn. Bhd.	Malaysia	Investment holding	100	100
Sunway City Captive Insurance Ltd. (held in trust by General Captive International Ltd.)	Malaysia	Captive insurance	100	100
Sunway Parking Management Sdn. Bhd.	Malaysia	Property investment	100	-
Warisan Kerjasama Sdn. Bhd.	Malaysia	Dormant	100	-
Salient Century Sdn. Bhd.	Malaysia	Property investment	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	Dormant	100	100

Name of companies	Country of incorporation	Principal activities	Proportion ownership inte	
			2010 %	2009 %
(b) Subsidiaries of Sunway City (Penang) Sdn. Bhd. (contd.)				
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100
(formerly known as Prime Delight Sdn. Bhd.)				
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	100	100
Associated Circle Sdn. Bhd.	Malaysia	Dormant	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100
(c) Subsidiary of Konsep Objektif (M) Sdn. Bhd.				
# Sunway Hotel Phnom Penh Ltd.	Cambodia	Hotel business	75	75
(d) Subsidiary of Sunway Pyramid Sdn. Bhd.				
Sunway Parking Management Sdn. Bhd.	Malaysia	Car park operator	-	100
(e) Subsidiary of Sunway City Properties Sdn. Bhd.				
Pena Enterprise Sdn. Bhd.	Malaysia	Property development and investment holding	100	100

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	200 9
(f) Subsidiaries of Sunway Lagoon Sdn. Bhd.				
Sunway Wildlife Sdn. Bhd.	Malaysia	In creditors' voluntary liquidation	100	100
Eastern Glory Enterprises Limited	British Virgin Islands	Investment holding	60	60
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	In creditors' voluntary liquidation	100	100
(g) Subsidiary of Sunway South Quay Sdn. Bhd.				
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	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.	Malaysia	Hotel management	100	100

Name of companies	Country of incorporation	Principal activities	Proportion of ownership interest	
			2010 %	2009 %
(i) Subsidiaries of SunCity Vietnam Sdn. Bhd.				
Hochimex Nominee Company Limited	Hong Kong	Investment holding	100	-
Sunway Hotel Hanoi Liability Limited Company with One Member	Vietnam	Hotel business	100	-
(j) Subsidiary of Emerald Tycoon Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	70	70
(k) Subsidiary of Sunway D'Mont Kiara Sdn. Bhd.				
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia Property investment		100	-
(I) Subsidiary of Sunway Medical Holdings Sdn. Bhd.				
Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd.	Malaysia	Dormant	100	100
(m) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
# Sunway City Cambodia Limited	Cambodia	Dormant	80	80
(n) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.				
Kinta Sunway Resort Sdn. Bhd.	Malaysia Property investment and hotel owner and operator		100	100

Name of companies	Country of incorporation	Principal activities	Proportion ownership inte	
			2010 %	2009 %
(n) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)				
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	100
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
Sunway Lost World Hotel Sdn. Bhd. (formerly known as Linear Plus Sdn. Bhd.)	Malaysia	Hotel business	100	-
(o) 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

Name of companies	Country of incorporation	Principal activities	Proportion o ownership inte	
			2010 %	200 9
(o) Subsidiaries of Sunway Damansara Sdn. Bhd. (contd.)				
Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	100	100
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
(p) Subsidiary of Menara Sunway Sdn. Bhd.				
MSW Parking Sdn. Bhd.	Malaysia	Dormant	100	100
(q) Subsidiary of Sunway IFM Sdn. Bhd.				
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100

Name of companies	Country of incorporation	Principal activities	Proportion o ownership inte	
			2010 %	2009 %
(r) Subsidiary of Pena Enterprise Sdn. Bhd.				
Logic Square Sdn. Bhd.	Malaysia	Dormant	100	100
(s) Subsidiaries of Eastern Glory Enterprises Limited	ı			
Estonia Enterprises Limited	British Virgin Islands	Dormant	100	100
Hartford Lane Pty. Ltd.	Australia	Trustee	100	100
International Theme Park Pty. Ltd.	Australia	Investment holding	100	100
(t) Subsidiaries of International Theme Park Pty. Ltd				
Sunway Australia Unit Trust	Australia	Unit trust	100	100
Sydney Theme Park Pty. Limited	Australia	Theme park license holder	100	100
(u) Subsidiaries of Sunway Medical Centre Berhad				
Sunmed@Home Sdn. Bhd.	Malaysia	Home nursing care and allied healthcare services	51	51
SunMed Clinics Sdn. Bhd.	Malaysia	Operation of clinics	100	100

Name of companies	Country of incorporation	Principal activities	Proportion ownership into	
			2010 %	200 9
(v) 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
Sunway Real Estate Investment Trust	Malaysia	Investment in real estate	36.61	-
(w) Associate of Sunway Damansara Sdn. Bhd.				
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	30	30
(x) Associate of Sunway Leisure Sdn. Bhd. (formerly known as Mega Capacity Sdn. Bhd.)				
# Pyramid Bowl Sdn. Bhd.	Malaysia	Bowling alley operator	40	-
(y) Associate of Sunway Pyramid Sdn. Bhd.				
# Pyramid Bowl Sdn. Bhd.	Malaysia	Bowling alley operator	-	40
(z) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited	India	Property development	26.3	26.3
Audited by firms of auditors other than Front 9 Young				

[#] Audited by firms of auditors other than Ernst & Young

52. 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

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group 2010 RM'000	Company 2010 RM'000
Fixed rate instruments		
Financial assets	10,658	10,658
Financial liabilities	(105,883)	(70,938)
	(95,225)	(60,280)
Variable rate instruments		
Financial assets	214,115	16,874
Financial liabilities	(705,263)	(186,000)
	(491,148)	(169,126)

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings, loans at floating rates given to related parties and investments in debt securities classified as available-for-sale. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The Company's loans at floating rate given to related parties form a natural hedge for its non-current floating rate bank loan. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months) from the reporting date.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of an interest rate swap, approximately 18% of the Group's borrowings are at fixed rates of interest.

52. Financial instruments (contd.)

(b) Interest rate risk (contd.)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate instruments at fair value through the income statement. Therefore, a change in interest rates at the reporting date would not affect the income statement.

Sensitivity Analysis for Variable Rate Instruments

A change of 25 basis points in interest rates at the reporting date would result in the profit or loss before tax to be higher/(lower) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group 2010 RM'000	Company 2010 RM'000
25 basis points increase		
Variable rate instruments	(1,228)	(423)
25 basis points decrease		
Variable rate instruments	1,228	423

(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 Vietnam Dong, 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.

52. 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		
At 31 December 2010					
Vietnam Dong	10,307	4,326	3,993		
Australian Dollar	8,400	301	3,145		
Hong Kong Dollar	6,271	1,229	4,208		
Indian Rupee	54	19	1		
Singapore Dollar	379	79	125		
United States Dollar	1,635	1,315	1,392		
	27,046	7,269	12,864		
At 31 December 2009					
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		

Sensitivity Analysis for Foreign Currency Risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign exchange rates against the respective functional currencies of the Group's entities. This analysis assumes that all other variables, in particular interest rates, remain constant. Based on the analysis, there is no material impact on the Group's profit net of tax.

52. Financial instruments (contd.)

(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.

At the reporting date, approximately 18% (2009: 23%) of the Group's borrowings (excluding bank overdrafts and revolving credits) will mature in less than one year based on the carrying amount reflected in the financial statements. There is approximately 35% (2009: 49%) of the Company's borrowings (excluding bank overdrafts and revolving credits) will mature in less than one year at the reporting date.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2010					
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000		
Group						
Financial liabilities:						
Trade and other payables	590,113	-	-	590,113		
Borrowings (excluding bank overdrafts and revolving credits)	106,476	305,249	183,835	595,560		
Total undiscounted financial liabilities	696,589	305,249	183,835	1,185,673		

52. Financial instruments (contd.)

(d) Liquidity risk (contd.)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000		
Company						
Financial liabilities:						
Trade and other payables	84,132	-	-	84,132		
Borrowings (excluding bank overdrafts and revolving credits)	25,000	45,834	-	70,834		
Total undiscounted financial liabilities	109,132	45,834	-	154,966		

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of activities, and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

52. Financial instruments (contd.)

(e) Credit risk (contd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	Group 2010 RM'000	% of total
By country:		
British Virgin Islands	1,192	0.63%
Malaysia	186,771	97.96%
Singapore	1,153	0.60%
Cambodia	577	0.30%
Australia	190	0.10%
Vietnam	786	0.41%
	190,669	100%
By segment:		
Property development	76,232	39.98%
Property investment	54,872	28.78%
Leisure	27,206	14.27%
Hospitality	4,553	2.39%
Medical	26,233	13.76%
Investment holding	1,530	0.80%
REIT investment	43	0.02%
	190,669	100%

52. Financial instruments (contd.)

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company as at reporting dates approximated their fair values except for the following:

	Group	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	
2010					
Financial assets					
Other receivables					
- Amount due from joint venture partner	33,831	38,779	33,780	38,728	
Amount due from subsidiaries	-	-	645,208	641,515	
Amount due from jointly controlled entities	133,884	134,464	133,884	134,464	
Financial liabilities					
Advances by minority shareholders of subsidiaries	152,368	152,190	-	-	
2009					
Financial assets					
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	
Financial liabilities					
Long term liabilities					
- Refundable deposits	16,683	15,291	-	-	
Advances by minority shareholders of subsidiaries	292,505	281,765	-	-	

52. Financial instruments (contd.)

(f) Fair values (contd.)

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade receivables (current)	26
Other receivables (current)	27
Trade payables (current)	38
Other payables (current)	39
Borrowings (current)	32
Borrowings (non-current)	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Unquoted equity instruments

These investments are valued using valuation models which uses both observable and non-observable data. The non-observable inputs to the models include assumptions regarding the future financial performance of the investee, its risk profile, and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates.

Derivatives

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

52. Financial instruments (contd.)

(f) Fair values (contd.)

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

53. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year/period ended 31 December 2010 and 31 December 2009.

53. Capital management (contd.)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at approximately 50%. The Group includes within net debt, borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

		Group		Com	Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	
Borrowings	32	784,651	1,573,515	256,834	617,526	
Trade and other payables		590,113	565,177	84,132	80,446	
Less: Cash and bank balances	30	(513,159)	(438,050)	(75,647)	(39,612)	
Net debt		861,605	1,700,642	265,319	658,360	
Equity attributable to the owners of the parent		2,596,550	2,172,336	1,946,319	827,745	
Less: Fair value adjustment reserve	44	(49,967)	-	-	-	
Total capital		2,546,583	2,172,336	1,946,319	827,745	
Capital and net debt		3,408,188	3,872,978	2,211,638	1,486,105	
Gearing ratio		25%	44%	12%	44%	

54. 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.

54. Segment information (contd.)

(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, operation and letting of properties;
- (iii) Leisure operation of theme parks, rendering recreational club facilities, travel agent and time sharing businesses;
- (iv) Hospitality management and operation of hotels;
- (v) Healthcare management and operation of a medical centre; and
- (vi) REIT management of real estate investment fund.

(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 is principally property development.

(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.

54. 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	REIT	Eliminations	Note	Tota
	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010		1.1.2010
	to	to	to	to	to	to	to		to
	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010		31.12.2010
Discontinued operations	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
31 December 2010									
Revenue									
Sales to external customers	412,015	196,105	142,142	208,740	138,551	9,055	-		1,106,608
Inter-segment sales	41,774	5,366	-	5,994	146	-	(53,280)	Α	
Total revenue	453,789	201,471	142,142	214,734	138,697	9,055	(53,280)		1,106,608
Results									
Operating profit	117,436	62,094	23,761	242,503	2,002	8,181	-		455,97
Finance costs	(18,129)	(34,014)	(2,437)	(6,182)	(4,523)	(60)	-		(65,34
Share of (loss)/profit of associates	(236)	111	-	-	-	97,688	-		97,560
Share of profit of jointly controlled entities	32,150	-	-	-	-	-	-		32,150
Profit/(loss) before tax	131,219	28,190	21,324	236,322	(2,520)	105,810	-		520,34
Income tax expense									317,58
Net profit for the year/period									837,927

54. Segment information (contd.)

Business segments (cont.)

	Property development	Property investment	Leisure	Hospitality	Healthcare	REIT	Eliminations	Note	Total
	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010	1.1.2010		1.1.2010
	to	to	to	to	to	to	to		to
	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010	31.12.2010		31.12.2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
31 December 2010 (contd.)									
Assets									
Segment assets	1,913,677	1,037,241	350,753	244,611	262,044	6,844	(392,250)		3,422,920
Investments in associates	25,959	1,563	-	-	-	893,177	-		920,699
Investment in jointly controlled entities	159,053	-	-	-	-	-	-		159,053
Unallocated assets									62,134
Total assets									4,564,806
Liabilities									
Segment liabilities	842,892	288,271	77,385	114,210	37,590	289	(742,724)		617,913
Unallocated liabilities									1,092,265
Total liabilities									1,710,178
Other segment information									
Capital expenditure	5,866	78,387	14,065	35,444	35,072	247		В	169,081
Depreciation	1,648	2,143	7,571	5,554	14,826	12			31,754
Other significant non-cash expenses/(income)	(24,555)	51,609	10,947	(206,755)	1,021	-		С	(167,733

54. Segment information (contd.)

Business segments (cont.)

	Property development 1.7.2008	Property investment 1.7.2008	Leisure 1.7.2008	Hospitality 1.7.2008	Healthcare 1.7.2008	REIT 1.7.2008	Eliminations 1.7.2008	Note	Total 1.7.2008
	to	to	to	to	to	to	to		to
	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009		31.12.2009
Discontinued operations	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
31 December 2009									
Revenue									
Sales to external customers	543,169	409,716	183,975	288,907	175,200	-	-		1,600,967
Inter-segment sales	54,000	10,302	-	8,403	394	-	(73,099)	Α	-
Total revenue	597,169	420,018	183,975	297,310	175,594	-	(73,099)		1,600,967
Results									
Operating profit	111,562	992,081	35,376	52,850	(3,436)	-	-		1,188,433
Finance costs	(23,100)	(60,783)	(3,158)	(13,532)	(4,207)	-	-		(104,780
Share of (loss)/profit of associates	7,819	275	-	-	-	-	-		8,094
Share of profit of jointly controlled entities	49,660	-	-	-	-	-	-		49,660
Profit/(loss) before tax	145,940	931,574	32,219	39,318	(7,644)	-	-		1,141,407
Income tax expense									(275,527
Net profit for the year/period									865,880

54. Segment information (contd.)

Business segments (cont.)

	Property development	Property investment	Leisure	Hospitality	Healthcare	REIT	Eliminations	Note	Total
	1.7.2008	1.7.2008	1.7.2008	1.7.2008	1.7.2008	1.7.2008	1.7.2008		1.7.2008
	to	to	to	to	to	to	to		to
	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009	31.12.2009		31.12.2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
31 Decenber 2009 (contd.)									
Assets									
Segment assets	1,844,717	3,463,974	226,268	603,357	230,771	-	(403,317)		5,965,770
Investments in associates	26,196	-	1,452	-	-	-	-		27,648
Investment in jointly controlled entities	125,926	-	-	-	-	-	-		125,926
Unallocated assets									45,938
Total assets									6,165,282
Liabilities									
Segment liabilities	812,663	429,048	76,859	310,845	47,857	-	(1,066,805)		610,467
Unallocated liabilities									2,386,178
Total liabilities									2,996,645
Other segment information									
Capital expenditure	11,292	54,397	10,448	19,937	83,117	-		В	179,191
Depreciation	2,246	12,296	11,848	40,924	15,200	-			82,514
Other significant non-cash expenses/(income)	30,050	(731,195)	2,569	98	(531)	-		С	(699,009

54. Segment information (contd.)

Geographical segments

The following table provides an analysis of the Group's revenue, results, capital expenditure and assets by geographical segment:

			Asia (e	xcluding				
	Mala	aysia	Mala	aysia)	Aus	tralia	To	otal
	1.1.2010	1.7.2008	1.1.2010	1.7.2008	1.1.2010	1.7.2008	1.1.2010	1.7.2008
	to							
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Discontinued operations	RM'000							
Revenue	1,088,716	1,572,434	17,892	28,533	_	_	1,106,608	1,600,967
Segment results	455,713	1,190,331	1,287	179	(1,023)	(2,077)	455,977	1,188,433
Capital expenditure	166,852	178,427	2,229	764	_	-	169,081	179,191
Segment assets	3,324,026	5,933,741	90,193	20,649	8,701	11,380	3,422,920	5,965,770

54. Segment information (contd.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
- B Capital expenditures consist of:

	2010 RM'000	2009 RM'000
Property, plant and equipment	99,962	132,752
Biological assets	78	237
Investment properties	69,041	46,202
	169,081	179,191

C Other significant non-cash (income)/expenses consist of the following items as presented in the respective notes to the financial statements:

Note	2010 RM'000	2009 RM'000
6	(55,678)	(733,992)
6	(135,816)	-
6	(325)	(526)
8	(7,503)	-
8	-	250
8	24,150	43,575
8	(1,345)	(9,600)
8	-	(70)
8	3,420	543
8	98	148
8	-	170
8	5,146	143
8	120	350
	(167,733)	(699,009)
	6 6 8 8 8 8 8 8	Note RM'000 6 (55,678) 6 (135,816) 6 (325) 8 (7,503) 8 - 8 24,150 8 - 8 - 8 3,420 8 98 8 - 8 5,146 8 120

55. Significant events during the financial year

Acquisitions of Hochimex Nominee Company Limited and its subsidiary (the "Acquisition of Hochimex Group")

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 Berhad 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 ("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):-
 - 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.

55. Significant events during the financial year (contd.)

Acquisitions of Hochimex Nominee Company Limited and its subsidiary (the "Acquisition of Hochimex Group") (contd.)

- 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.

On 8 December 2009, the Company announced that Suncity Vietnam had on even date, entered into a Supplement Agreement with the Vendors to extend the Conditions Fulfillment Period of the Acquisition of Hochimex Group for another 6 months to expire on 9 June 2010 or such other period as the parties may mutually agree.

Subsequently, on 9 June 2010, the Company announced that Suncity Vietnam had on even date, entered into a Second Supplement Agreement with the Vendors to extend the Conditions Fulfillment Period of the Acquisition of Hochimex Group for another 2 months to expire on 9 August 2010 or such other period as the parties may mutually agree.

The Acquisition of Hochimex Group was subsequently completed on 29 June 2010.

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. 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 REIT.

55. Significant events during the financial year (contd.)

Real Estate Investment Trust ("REIT") (contd.)

On 7 April 2010, RHB Investment Bank, on behalf of the Board of Directors, announced that Sunway REIT Management Sdn. Bhd. ("Sunway REIT Management"), a wholly-owned subsidiary of the Company, had made an application to the Securities Commission ("SC") to seek its approval on the valuation of the real estate assets to be acquired by Sunway REIT for its REIT. The SC had vide its letter dated 6 May 2010 approved the REIT.

On 21 May 2010, RHB Investment Bank, on behalf of the Board of Directors, announced the establishment of the Sunway REIT on 20 May 2010 upon the registration of the Trust Deed with the SC.

Subsequently, Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010.

Disposal of 3 parcels of leasehold land ("Disposal of Leasehold Land")

On 7 May 2010, Maybank Investment Bank, on behalf of the Board of Directors, announced that the Company had entered into a sale and purchase agreement with Sunway Pyramid Sdn. Bhd. ("SPSB") for the Disposal of Leasehold Land in respect of Lot 32, Lot 51175 and Lot PT1312 held under Title No. Pajakan Negeri 9495, 9500 and H.S. (D) 59957 respectively, all in the Town of Sunway, District of Petaling, State of Selangor, with a total land area measuring approximately 19,406 square metres and excludes the building, namely Sunway Pyramid Shopping Mall erected upon the lands, which is owned by SPSB, to SPSB for a total disposal consideration of RM41.8 million. The Disposal of Leasehold Land was subsequently approved by the shareholders of the Company on 27 May 2010 and was completed on 4 June 2010.

Disposal of properties

On 10 May 2010, Maybank Investment Bank, on behalf of the Board of Directors, announced the following:

(i) The proposed disposal by certain subsidiaries of the Company of their interests in 8 properties, namely Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Menara Sunway, Sunway Carnival Shopping Mall, Sunway Hotel Seberang Jaya, Suncity Ipoh Hypermarket and Sunway Tower (collectively referred to as "Proposed Disposal of Properties") to Sunway REIT for a total disposal consideration of RM3,729 million to be satisfied by the proposed issuance of 1,025 million units in Sunway REIT and the balance in cash:

55. Significant events during the financial year (contd.)

Disposal of properties (contd.)

- (ii) The proposed hotel master lease arrangement comprised of :
 - (a) proposed lease by Sunway Resort Hotel Sdn. Bhd. of Sunway Resort Hotel & Spa and Pyramid Tower Hotel from Sunway REIT;and
 - (b) proposed lease by Sunway Hotel (Seberang Jaya) Sdn. Bhd. of Sunway Hotel Seberang Jaya from Sunway REIT; and
- (iii) Proposed issuance of redeemable preference shares in SPSB to Reco Pyramid (M) Sdn. Bhd..

Subsequently, on 26 May 2010, Maybank Investment Bank, on behalf of the Board of Directors, announced the following:

- Sunway REIT Management, has been appointed as the management company for Sunway REIT. Sunway REIT was established in Malaysia under the Trust Deed dated 20 May 2010 entered into between Sunway REIT Management Sdn. Bhd. ("REIT Manager") and OSK Trustees Berhad ("Trustee");
- (ii) The relevant subsidiaries of the Company, being the vendors of the Properties, have on 26 May 2010 entered into eight (8) separate conditional Sale and Purchase Agreements with the Trustee on behalf of Sunway REIT for the Proposed Disposal of Properties for a total disposal consideration of RM3,729 million. The disposal consideration is however subject to the Price Adjustment Mechanism;
- (iii) The Trustee (as the lessor), the REIT Manager (as the manager) and Sunway Resort Hotel Sdn. Bhd. ("SRHSB") (as the lessee) have on 26 May 2010 entered into the SRHSB Master Lease in respect of Sunway Resort Hotel & Spa and Pyramid Tower Hotel. The SRHSB Master Lease in respect of Sunway Resort Hotel & Spa and Pyramid Tower Hotel will commence upon completion of the disposal of Sunway Resort Hotel & Spa and Pyramid Tower Hotel pursuant to the Proposed Disposal of Properties; and
- (iv) The Trustee (as the lessor), the REIT Manager (as the manager) and Sunway Hotel (Seberang Jaya) Sdn. Bhd. ("SHSJ") (as the lessee) have on 26 May 2010 entered into the SHSJ Master Lease in respect of Sunway Hotel Seberang Jaya. The SHSJ Master Lease in respect of Sunway Hotel Seberang Jaya will commence upon completion of the disposal of Sunway Hotel Seberang Jaya pursuant to the Proposed Disposal of Properties.

The Proposed Disposal of Properties was completed on 8 July 2010 for a final disposal consideration of RM3,457 million following the application of the Price Adjustment Mechanism.

55. Significant events during the financial year (contd.)

Acquisition of equity interest in subsidiaries

- (i) On 12 July 2010, the Company entered into a Share Sale Agreement ("SSA") with Sunway Pyramid Sdn. Bhd. ("SPSB") to acquire 2 ordinary shares of RM1.00 each in Sunway Leisure Sdn. Bhd. (formerly known as Mega Capacity Sdn Bhd) ("Sunway Leisure") for a total cash consideration of RM2.8 million, which comprises:
 - (a) RM1,582,628 being the sale and purchase price payable for the sale and purchase of the Sunway Leisure; and
 - (b) The repayment by the Company to SPSB on behalf of Sunway Leisure of a sum of RM1,217,312 (as at 30.6.2010) as settlement of the entire outstanding amount of all shareholder's loan/advances owing by Sunway Leisure to SPSB.

The acquisition of Sunway Leisure was completed on 12 July 2010;

(ii) On 12 July 2010, the Company entered into a SSA with Reco Pyramid (M) Sdn. Bhd. ("RPSB") to acquire 48 million ordinary shares of RM1.00 each in SPSB ("SPSB Sale Shares") representing 48% equity interest in SPSB ("Proposed Acquisition of SPSB").

The salient terms and conditions of the SPSB SSA includes, inter-alia, the following:

- (a) The SPSB SSA is conditional upon the completion of the Proposed Acquisition of Mega Capacity.
- (b) Completion of the Proposed Acquisition of SPSB will occur on the last business day of the month immediately following the month (or such other date as SCB and RPSB may mutually agree in writing) in which:
 - the condition precedent, namely the completion of the Proposed Acquisition of Mega Capacity, is fulfilled; and
 - all the pre-closing events are completed.
- (iii) The total purchase consideration for the SPSB Sale Shares is the equivalent of 48% of the net tangible assets of SPSB as reflected in the management accounts of SPSB after the SPSB Completion Events, which is expected to be approximately RM0.48 million. The Proposed Acquisition of SPSB has not been completed as at the date of this report.
- (iv) On 12 July 2010, the Company entered into a SSA with Reco Resort Hotel (M) Sdn. Bhd. ("RRHSB") to acquire 9.6 million ordinary shares of RM1.00 each in Sunway Resort Hotel Sdn. Bhd. ("SRH") representing 48% equity interest in SRH for a total cash consideration of RM12.1 million, subject to post-closing working capital adjustment. The acquisition of SRH was completed on 6 October 2010.

55. Significant events during the financial year (contd.)

Acquisition of 49% equity interest in Sunway Lagoon Sdn. Bhd. ("SLSB")

On 2 September 2010 and 13 September 2010, the Company entered into three (3) separate share sale and purchase agreements with Dato' Lim Say Chong, Mr Oh Kim Sun and Strategic Alpha Ventures Sdn Bhd to acquire 1.9 million, 2.6 million and 0.4 million ordinary shares of RM1.00 each in SLSB respectively for a total cash consideration of RM140 million. The acquisitions from Dato' Lim Say Chong and Mr Oh Kim Sun were completed on 2 September 2010 while the acquisition from Strategic Alpha Ventures Sdn. Bhd. was completed on 13 September 2010.

Acquisition of freehold land

On 27 September 2010, Sunway City (Penang) Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with Sungei Ara Holdings Sendirian Berhad to acquire a freehold land held under Lot No. 14345 held under Geran No. 81977, Mukim 12, Daerah Barat Daya, Pulau Pinang measuring 32.74 hectares for a total cash consideration of RM38.8 million.

The mode of payment for the Acquisition of Freehold Land is as follows:

- (i) RM3.9 million being 10% of purchase price upon execution of SPA; and
- (ii) RM34.9 million being the balance purchase price within 6 months from date of SPA provided that all the conditions precedent of the SPA have been complied and fulfilled.

The Acquisition of Freehold Land was completed on 28 December 2010.

Equity joint venture contract between Sunway City (S'pore) Pte. Ltd. and Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd ("SSTEC")

On 26 October 2010, Sunway City (S'pore) Pte. Ltd., a wholly owned subsidiary of the Company, entered into a Equity Joint Venture Contract with SSTEC to establish the first Sino foreign equity joint venture enterprise, namely Tianjin Eco-City Sunway Property Development Co., Ltd., to develop 27.96 hectares (69 acres) of land in Sino-Singapore Tianjin Eco-City which forms part of the 40 hectares (98.8 acres) located in Tianjin, People's Republic of China for the development in phases of residential and commercial projects.

55. Significant events during the financial year (contd.)

Offer to acquire all of the business and undertaking including all Assets and Liabilities of the Company

On 24 November 2010, the Company announced that, the Board of Directors of the Company, received a letter from Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("SSB"), which sets out SSB's offer to acquire all of the business and undertaking of SCB including all Assets and Liabilities of the Company as at Completion at an aggregate purchase consideration:

- equivalent to RM5.10 per ordinary share of RM1.00 each in the company ("SCB Share") multiplied by the total outstanding SCB Shares (less treasury shares, if any) at a date to be determined later;
- (ii) equivalent to the Black-Scholes valuation based on RM5.10 per SCB Share and calculated by applying all the relevant variables as at 22 November 2010 for the options issued under SCB's employees' share option scheme ("ESOS options"), multiplied by the total outstanding number of ESOS options issued (for every issue of the ESOS options, batched by their respective conversion prices). The Black-Scholes values for the ESOS options range from RM0.96 to RM4.10 per ESOS option (subject to the respective conversion price of the options); and
- (iii) equivalent to the Black-Scholes valuation based on RM5.10 per SCB Share and calculated by applying all the relevant variables as at 22 November 2010, being RM1.29 per warrant of SCB ("warrant"), multiplied by the total outstanding number of warrants in issue at a date to be determined later.

On 14 December 2010, the Company announced that the non-interested Directors of the Company, after taking into consideration the independent advice of the Independent Adviser, Goldman Sachs (Malaysia) Sdn. Bhd., have decided to accept the Offer, subject to, inter alia, the approval of the shareholders and relevant authorities, where required.

On 18 January 2011, the Company entered into a conditional Sale of Business Agreement ("SBA") with SSB in relation to the proposed disposal of the entire business and undertaking including all the assets and liabilities of the Company to SSB ("Proposed Disposal"). Pursuant to the Proposed Disposal, the Company will undertake the following:

- the proposed capital repayment exercise by way of a capital reduction exercise in accordance with Section 60(2) and/or Section 64
 of the Companies Act, 1965;
- (ii) the proposed termination of the employees' share option scheme of the Company; and
- (iii) the proposed payment to warrant holders of the Company by way of a scheme of arrangement under Section 176 of the Companies Act, 1965.

55. Significant events during the financial year (contd.)

Offer to acquire all of the business and undertaking including all Assets and Liabilities of the Company (contd.)

On 18 March 2011, CIMB Investment Bank Berhad and RHB Investment Bank announced, on behalf of the Board of Directors, that the Company, had made an application to the Securities Commission ("SC") to seek its approval for the said exercise.

Proposed acquisition of freehold land in Johor

On 28 December 2010, Asli Budimas Sdn. Bhd. ("ABSB"), a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Bukit Lenang Development Sdn Bhd ("BLD") to purchase parcels of land held under PTD No. 64070 to 64099 HS(D) No. 151079 to 151108, PTD No. 64105 HS(D) No. 151114, PTD No. 64198 to 64323 HS(D) No. 151207 to 151332, PTD No. 64325 HS(D) No. 151334, PTD No. 64342 to 64513 HS(D) No. 151351 to 151522, PTD No. 64515 HS(D) No. 151524 and PTD No. 64517 to 64592 HS(D) No. 151526 to 151601 in the Mukim of Plentong, Daerah Johor Bahru, Negeri Johor measuring in total approximately 2.816 million square feet for a total purchase consideration of RM134.5 million.

The mode of payment is as follows:

- (i) RM13.0 million upon execution of the SPA;
- (ii) RM7.0 million paid to ABSB's solicitors as stakeholder pending fulfillment of conditions precedent;
- (iii) RM32.2 million being redemption sum to Affin Bank Berhad within 90 days from the date the SPA becomes unconditional or such longer period as agreed by the parties, or alternatively to enter into such arrangements as may be acceptable to Affin Bank Berhad;
- (iv) the differential amount between RM60.0 million and all sums paid under items (i) and (ii) above shall be paid to BLD within 120 days from the date the SPA becomes unconditional or such longer period as the parties may agree; and
- (v) an aggregate amount equivalent to 8% of the gross development value to be carried out on the Land provided the amount payable to BLD shall not be less than the minimum amount of RM74.5 million and this shall be paid on a pro-rated basis against the sales value of each unit sold to and paid by the purchasers.

The Proposed Acquisition of Freehold Land in Johor has not been completed as at the date of this report.

56. Subsequent event

Proposed Internal Reorganisation Exercise

On 17 January 2011, the Company entered into the following agreements pursuant to its internal reorganisation exercise:

- (i) the sale by the Company and the acquisition by Bintutara Sdn. Bhd., a wholly owned subsidiary of the Company, of all the Company's property development business and undertaking including all assets and liabilities in respect of such property development business ("Property Development Business"); and
- (ii) the sale by the Company and the acquisition by Top Magnitude Sdn. Bhd., a wholly owned subsidiary of the Company, of all the Company's property investment business and undertaking including all assets and liabilities in respect of such property investment business ("Property Investment Business").

The Proposed Internal Reorganisation is conditional upon the following conditions precedent being fulfilled:

- (i) the consent or approval of the relevant creditors/lenders/financiers of the Company for the disposal of the Property Development Business and Property Investment Business having been obtained (if applicable);
- (ii) consents from any third parties as may be required in connection with the transfer of the assets and liabilities in respect of the Property Development Business and Property Investment Business in accordance with the provisions of the agreements being obtained; and
- (iii) the approvals of any other authorities or parties deemed necessary by the parties to the agreements having been obtained.

57. Comparatives

The financial year end of the Company and all its subsidiaries was changed from 30 June to 31 December in the previous financial period. 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 31 December 2010 and therefore the comparative amounts are not in respect of comparable periods.

Certain comparative amounts have been restated to conform with current year's presentation as follows:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Statements of financial position			
As at 1.7.2008			
Group			
Non-current assets			
Other receivables	-	67,588	67,588
Current assets			
Other receivables	139,638	(67,588)	72,050
Company			
Non-current assets			
Other receivables	-	67,588	67,588
Amounts due from subsidiaries	-	199,442	199,442
Current assets			
Other receivables	107,907	(67,588)	40,319
Amounts due from subsidiaries	1,182,129	(199,442)	982,68

57. Comparatives (contd.)

	As previously stated	Adjustments	As restated
Statements of financial position	RM'000	RM'000	RM'000
As at 31.12.2009			
Group			
Non-current assets			
Other receivables	-	67,588	67,58
Amounts due from jointly controlled entities	-	12,000	12,00
Current assets			
Other receivables	135,257	(67,588)	67,66
Amounts due from jointly controlled entities	108,620	(12,000)	96,62
Company			
Non-current assets			
Other receivables	-	67,588	67,58
Amounts due from subsidiaries	-	199,442	199,44
Amounts due from jointly controlled entities	-	12,000	12,00
Current assets			
Other receivables	84,978	(67,588)	17,39
Amounts due from subsidiaries	902,046	(199,442)	702,60
Amounts due from jointly controlled entities	108,615	(12,000)	96,61

58. Supplementary information

The breakdown of the retained profits of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2010 RM'000	Company 2010 RM'000
Total retained profit		
- realised	1,473,754	1,097,575
- unrealised	100,682	43,522
Total share of retained profits from associated companies		
- realised	43,450	-
- unrealised	99,839	-
Total share of retained profits from jointly controlled entities		
- realised	147,479	-
- unrealised	30	-
	1,865,234	1,141,097
Less: Consolidation adjustments	(208,420)	-
Total retained profits	1,656,814	1,141,097

List of Properties as at 31 December 2010

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Investment properties								
124 strata titles held under PN 11816 Lot 61771 Bandar Sunway Daerah Petaling, Selangor	5.652 / 185,903	Sunway Residence Sdn Bhd	Sun U Residence Block B (124 units)	6	Leasehold expiring 01.01.2097	54,500	1986 / Oct 2005	29 Dec 2010
PT894 HSD(T) 238253 PT907 HSD(T) 238960 Bandar Sunway Daerah Petaling, Selangor	11.955 / 762,558	Sunway City Berhad (Land)	Monash University Campus	4	Leasehold expiring 02.04.2106 &	31,039	1986 / May 2007	29 Dec 2010
o, o		Sunway Lagoon Sdn Bhd (Land)			15.05.2106	10,461		
		Sunway Platinum Success Sdn Bhd (Building)				158,500		
PT28 HS(D) 118332 PT1904 HS(D) 118325 Bandar Sunway Daerah Petaling, Selangor	12.433 / 704,577	Sunway Destiny Sdn Bhd (formerly known as Stellar Destiny Sdn Bhd)	SUN U Campus	17	Leasehold expiring 01.04.2097	153,000	May 2007	29 Dec 2010
PT 1706 HS(D) 118324 Bandar Sunway Daerah Petaling, Selangor	0.499 / 21,000	Sunway City Berhad	Medan Selera (Food Court)	15	Leasehold expiring 01.04.2097	4,000	1986 / 1994	29 Dec 2010
PT 1406 HS(D) 118322 Bandar Sunway Daerah Petaling, Selangor	0.370 / 6,308	Sunway City Berhad	Sunway Selera (Food Court)	16	Leasehold expiring 01.04.2097	2,000	1986 / 1992	29 Dec 2010

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Investment properties (contd.)								
PM 130, Lot 37563 (formerly known as PT 892 HS(M) 7031) PN 8622-23, Lot 49359-60 Bandar Sunway Daerah Petaling, Selangor	4.304 / 214,200	Sunway City Berhad	Sunway Villa	14	Leasehold expiring 11.04.2093 & 01.12.2097	22,100	1986 / Mar 1996	29 Dec 2010
PN 11814/M1-B/10/183 Lot 61769 (B10-02) Mukim Damansara, Dearah Petaling, Selangor	2,142	Sunway City Berhad	Palmville (1 unit)	14	Leasehold expiring 01.04.2097	650	Feb 2008	29 Dec 2010
PN 13010-13019 Lot 52003-62012 Bandar Sunway Daerah Petaling, Selangor	0.390 / 44,867	Sunway Townhouse Sdn Bhd	2 Storey Townhouse (20 units)	5	Leasehold expiring 14.11.2096	3,800	Jul 2001 / Aug 2005	29 Dec 2010
PT 1490 HS(D) 115836 Bandar Sunway Daerah Petaling, Selangor	1.537 / 32,464	Sunway City Berhad	Office Warehouse	4	Leasehold expiring 28.12.2096	7,172	1986 / Jul 2006	29 Dec 2010
PN 11815/M1-A/9/55 Lot 61770 (A-09-04) PN 11815/M1-B/6/160 Lot 61770 (B-06-05) Jalan Kolej Bandar Sunway Daerah Petaling, Selangor	2,777	Sunway City Berhad	Lagoonview (2 units)	11	Leasehold expiring 01.04.2097	840	Sep 2007	29 Dec 2010
PN 6890/M1/5/140 Lot 93 Seksyen 20 Bandar Petaling Jaya Selangor	6.316 / 2,573	Sunway City Berhad	Flatted Industrial Factory (1 unit)	14	Leasehold expiring 24.10.2067	400	June 2008	29 Dec 2010

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Investment properties (contd.)								
Lagoonview Condominium:- A-01-04 (PN11815/M1/1/4) A-07-06 (PN11815/M1-A/7/45) A-08-04 (PN11815/M1-A/8/49) A-13-04 (PN11815/M1-A/13/79) A-13-05(PN11815/M1-A/13/80) B-21-03 (PN11815/M1-B/21/251) B-03-04 (PN11815/M1-B/3/143) A-22-03 (PN11815/M1-A/22/128) A-05-05 (PN11815/M1-A/5/32) A-07-05 (PN11815/M1-A/7/44) B-18-04 (PN11815/M1-B/18/232) B-10-05 (PN11815/M1-B/10/184) Sun-U Residence (formerly known as	37,082	Sunway Ambience Sdn Bhd (formerly known as Spring Ambience Sdn Bhd)	Lagoonview (12 units)	11	Leasehold expiring 01.04.2097	11,418	May 2008 June 2008 June 2008 Nov 2008 Nov 2008 Nov 2008 Dec 2008 Dec 2008 Mar 2009 Feb 2010	29 Dec 2010
Monash Condominium):- A-16-03 (PN11816/M2/16/86) A-11-03 (PN11816/M2/11/60) A-10-01 (PN11816/M2/10/50) A-19-05 (PN11816/M2/19/99) A-18-03A (PN11816/M2/18/95) A-11-06 (PN11816/M2/11/57) A-3-02 (PN11816/M2/13/67) A-20-01 (PN11816/M2/20/103) A-12-06 (PN11816/M2/12/63) A-12-02 (PN11816/M2/12/61) A-05-03A (PN11816/M2/5/23) A-05-05 (PN11816/M2/5/22) A-05-01 (PN11816/M2/5/20) A-13-05 (PN11816/M2/13/70) A-11-01 (PN11816/M2/11/56)			Residence (15 units)				Sep 2007 Oct 2007 July 2007 July 2007 July 2007 July 2007 Jan 2008 Feb 2008 Mar 2008 Mar 2008 Apr 2008 May 2008 Feb 2010 Feb 2010	

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Investment properties (contd.)	05.054			44		44.000		00 5 0040
Lagoonview Condominium:- B-02-04 (PN11815/M1-B/2/137) B-22-03 (PN11815/M1-B/22/256) B-16-03 (PN11815/M1-B/16/221) B-04-04 (PN11815/M1-B/4/149) A-14-02 (PN11815/M1-A/14/83) A-15-02 (PN11815/M1-A/15/88)	35,951	Sunway Symphony Sdn Bhd (formerly known as Worldclass Symphony Sdn Bhd)	Lagoonview (6 units)	11	Leasehold expiring 01.04.2097	11,260	Mar 2009 Mar 2009 May 2009 Jul 2009 Aug 2009 Apr 2010	29 Dec 2010
Sun-U Residence (formerly known as Monash Condominium):- A-13A-03 (PN11816/M2/14/76) A-13A-3A (PN11816/M2/10/51) A-10-06 (PN11816/M2/10/51) A-17-05 (PN11816/M2/17/89) A-08-06 (PN11816/M2/17/86) A-07-03 (PN11816/M2/7/36) A-15-03 (PN11816/M2/15/81) A-11-02 (PN11816/M2/11/55) A-23A-01 (PN11816/M2/24/120) A-23A-02 (PN11816/M2/24/119) A-12-03 (PN11816/M2/24/119) A-06-06 (PN11816/M2/6/27) A-15-02 (PN11816/M2/15/77)			Sun-U Residence (20 units)	10			Jan 2009 Jan 2009 Mar 2009 Mar 2009 Apr 2009 Apr 2009 Jul 2009 Aug 2009 Aug 2009 Sep 2009 Jan 2010	
A-21-02 (PN11816/M2/21/107) A-10-05 (PN11816/M2/10/52) A-12-03A (PN11816/M2/12/65) A-23A-03A (PN11816/M2/24/121) A-10-03 (PN11816/M2/10/54) A-21-03 (PN11816/M2/21/110) A-08-01 (PN11816/M2/8/38)							Jan 2010 Jan 2010 Feb 2010 Feb 2010 Feb 2010 Jul 2010 Jul 2010	

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Investment properties (contd.)								
PT 220479 HS(D) 174449 Jalan Tambun MK Ulu Kinta Daerah Kinta, Perak	0.665 / 21,118	Kinta Sunway Resort Sdn Bhd	Unique Seafood Restaurant	4	Leasehold expiring 27.10.2097	2,725	Dec 1994	29 Dec 2010
PT 370 HS (D) 145185 Pekan Baru Sungai Buloh Daerah Petaling Selangor	196,054	Sunway Damansara Group of Companies	Sunway Giza Mall	1	Leasehold expiring 23.11.2100	38,000	Jun 1995	30 Nov 2010
Sun-U Residence (formerly known as Monash Condominium):- A-13-03A (PN11816/M2/13/71)	1,472	Salient Century Sdn Bhd	Sun U Residence (1 unit)	10	Leasehold expiring 01.04.2097	510	Oct 2010	-
Property, plant & equipment								
PN 17415/M1/21/225 Lot 62060 PN 17415/M1/21/226 Lot 62060 Bandar Sunway Dareah Petaling, Selangor	1.898 / 1,550	Sunway City Berhad	Resort Suites (2 units)	6	Leasehold expiring 21.02.2102	1,085	July 2004	-
PN 12457 Lot 38158 PN 12548 Lot 43 Bandar Sunway	4.075 / 38,741	Sunway City Berhad (Land)	Sunway Lagoon Club	16	Leasehold expiring 01.04.2097	41	1986	-
Daerah Petaling, Selangor		Sunway Lagoon Club Berhad (Building)				9,748	Feb 1993	-
12 strata titles held under PN 11816 Lot 61771 Bandar Sunway Daerah Petaling, Selangor	2.980 / 129,809	Sunway Residence Sdn Bhd	Sun U Residence Block C (12 units)	6	Leasehold expiring 01.01.2097	6,500	1986 / Oct 2005	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Property, plant & equipment (contd.)								
PT 1311 HS (D) 259956 (formerly known as PN 9490 Lot 34) PN 9493 Lot 37 PT 15753 HS(D) 98453	58.850 / 728,236	Sunway City Berhad (Land)	Sunway Lagoon Theme Park, Amphitheatre, Wavepool &	17	Leasehold expiring 01.04.2097 &	389	1986	-
Bandar Sunway Daerah Petaling, Selangor		Sunway Lagoon Sdn Bhd (Building)	Elephant Walk		19.06.2094	85,415	1992	-
PN 12550 Lot 45 (formerly known as PT37 HS(D) 118341) PN 12549 Lot 3816 (formerly known as PT 1489 HS(D) 118318)	4.496 / 755,940	Sunway Medical Centre Berhad	Sunway Medical Centre (1)	10	Leasehold expiring 01.04.2097	12,571	1986 / 1999	-
Bandar Sunway Daerah Petaling, Selangor			Sunway Medical Centre (2)	2		147,612	1986 / Nov 2009	-
PT 199440 HS(D) 134496 Jalan Tambun MK Ulu Kinta Daerah Kinta, Perak	39.820	Sunway Lagoon Water Park Sdn Bhd	Lost World of Tambun	6	Leasehold expiring 03.08.2103	38,673	Dec 1994/ Nov 2004	-
36 strata titles held under PN17415 PT62060 Bandar Sunway Daerah Petaling, Selangor	1.898 / 18,463	Sunway International Vacation Club Berhad	Resort Suites (36 units)	6	Leasehold expiring 21.02.2102	6,167	Dec 2004 / July 2009	-
PT 302 HS(D)15354 Daerah Port Dickson Negeri Sembilan.	10.000 / 6,456	Sunway International Vacation Club Berhad	Legend Water Chalets (8 units Service suites and 2 units Chalets)	4	Freehold	2,061	Jun 2007	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Property, plant & equipment (contd.) Geran No 63519 Lot 2220 Section 12 Town of Georgetown North East District, Pulau Pinang	0.631 / 220,097	Sunway Hotel (Penang) Sdn Bhd	Sunway Hotel Georgetown	17	Freehold	60,007	1989 / 1993	-
PT 370 HS (D) 145185 Pekan Baru Sungai Buloh Daerah Petaling, Selangor	250,745	Sunway Damansara Group of Companies	Sunway Giza Carpark	1	Leasehold expiring 23.11.2100	4,788	Dec 2010	30 Nov 2010
PT220409 HS (D) 174259 Mukim Hulu Kinta Daerah Kinta, Perak	16.19	Kinta Sunway Resort Sdn Bhd	The Banjaran Hotsprings	1	Leasehold expiring 06.07.2107	73,387	Dec 1994	-
Properties under development & land held for development								
Lot 17 GRN 12371 Lot 38 GRN 27736 Lot 39 GRN 27733 Lot 41 GRN 4488 Lot 42 GRN 9940 Jalan Ampang, Kuala Lumpur Wilayah Persekutuan	0.942	Sunway Tower 1 Sdn Bhd	Vacant	-	Freehold	29,480	May 2007	-
GRN. 69599 Lot 30086 GRN. 67367 Lot 30087 Mukim Setapak, Daerah Kuala Lumpur	56.473	Sunway Melawati Sdn Bhd	Vacant	-	Freehold	53,568	Mar 2005	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
Lot 5781-83 PN 2546-48	2.093	Alliance Parade Sdn Bhd	Car Park	-	Leasehold expiring	4,082	May 1992	-
Lot 5493 PN 1814	3.288	Commercial Parade Sdn Bhd	Car Park	-	21.10.2092	8,593		-
Lot 5646 PN 1822	3.480	Sunway City (Penang) Sdn Bhd	Sunway Perdana	-		3,210		-
Lot 5647 PN 1823	2.540	Fame Parade Sdn Bhd	Sunway Perdana	-		5,541		-
Lot 5648 PN 1824 Mukin 1, Daerah Seberang Perai Tengah Pulau Pinang	2.490	Era Primision Sdn Bhd	Sunway Perdana	-		5,424		-
Land titles details, please refer to Note 1 Mukim Hulu Kinta Daerah Kinta Perak Darul Ridzuan	1,005.05	Sunway City (Ipoh) Sdn Bhd and subsidiaries	Integrated Development under construction		Leasehold expiring 27.10.2097 & 29.06.2103 & 07.09.2103 & 14.04.2107 & 06.07.2107 & 16.07.2107 & 10.12.2108	38,308	Dec 1994	

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	Date of acquisition of land / building (in month &	Date of revaluation
	(54.54)						year)	
Properties under development & land held for development (contd.)								
PN 89791 Lot 54662 (formerly known as PT 12207 HS(D) 262418) PT 371 HS (D) 145186 MK Sungei Buloh Daerah Petaling, Selangor	25.54	Sunway Damansara Sdn Bhd	Sunway Rymba Hills and Sunway Nexis under construction	-	Leasehold expiring 23.11.2100	21,113	Jun 1995	-
Lot 6175 GM 2507 Mukim & Daerah Kuala Lumpur Wilayah Persekutuan	3.16	Sunway Damansara Sdn Bhd	Vacant (Taman Duta land)	-	Freehold	28,598	May 2007	-
PT 372 HS (D) 145187 MK Sungei Buloh Daerah Petaling, Selangor	3.06	Imbasan Intisari Sdn Bhd	Vacant Planned for Business Park 1 (Parcel 7)	-	Leasehold expiring 22.11.2100	8,017	Nov 2003	-
PT 373 HS (D) 145188 MK Sungei Buloh Daerah Petaling, Selangor	2.88	Tidal Elegance Sdn Bhd	Vacant Planned for Business Park 2 (Parcel 8)	-	Leasehold expiring 22.11.2100	7,530	Nov 2003	-
PT 374 HS (D) 145189 MK Sungei Buloh Daerah Petaling, Selangor	2.69	Bisikan Seni Sdn Bhd	Vacant Planned for Business Park 3 (Parcel 9)	-	Leasehold expiring 22.11.2100	7,030	Nov 2003	-
PT 375 HS (D) 145190 MK Sungei Buloh Daerah Petaling, Selangor	2.49	Emerald Freight Sdn Bhd	Vacant Planned for Business Park 4 (Parcel 10)	-	Leasehold expiring 22.11.2100	6,532	Nov 2003	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
PT 376 HS (D) 145191 MK Sungei Buloh Daerah Petaling, Selangor	3.03	Park Symphony Sdn Bhd	Vacant Planned for Business Park 5 (Parcel 11)	-	Leasehold expiring 22.11.2100	7,955	Nov 2003	-
PT 876 HS (D) 231883 MK Sungei Buloh Daerah Petaling, Selangor	1.16	Winning Excellence Sdn Bhd	Vacant Planned for Petrol Station	-	Leasehold expiring 22.11.2100	828	Nov 2003	-
PT 958 HS (D) 231965 MK Sungei Buloh Daerah Petaling, Selangor	0.33	Contemporary Factor Sdn Bhd	Vacant Planned for Foodcourt	-	Leasehold expiring 22.11.2100	94	Nov 2003	-
Lot 57450 GRN 51950 in Mukim of Kuala Lumpur	7.70	Sunway D'Mont Kiara Sdn Bhd	Residential Development under construction	-	Freehold	208,698	Nov 2001	-
Lot 16833 GM 2535 Mukim 11, Daerah Barat Daya Pulau Pinang	7.84	Sunway Grand Sdn Bhd	Sunway Merica Residential Development under construction	-	Freehold	15,721	Sep 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 Pulau Pinang	6.24	Sunway Grand Sdn Bhd	Sunway Aspera Residential Development under construction	-	Freehold	9,022	May 2005 Aug 2007 Jul 2007 Aug 2007	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
Lot 337 GM No. 545 Lot 1472 GM No. 892 Lot 1473 GM No. 893 Lot 1475 GM No. 895 Lot 1476 GM No. 896 Lot 1477 GM No. 897 Lot 1478 GM No. 898 Lot 1479 GM No. 367 Lot 1480 GM No. 899 Lot 1515 GM No. 710 Lot 1517 GM No. 711 Lot 1512 GM No. 707 Mukim 12, Daerah Barat Daya Pulau Pinang	23.12	Sunway Grand Sdn Bhd	Vacant		Freehold	32,647	Oct 2007 Oct 2007 Oct 2007 Jan 2008 Nov 2007 Jul 2008 Jan 2009 Jan 2009 Oct 2007 Oct 2007 Oct 2007	
PN 81534 Lot 62644 HS(D) 238254 PT 895 HS(D) 238976 PT 923 Bandar Sunway, Selangor	7.690	Sunway Monash-U Residence Sdn Bhd	Properties under construction	-	Leasehold expiring 15.03.2106 & 02.04.2016	137,343	Aug 2009	-
Lot 57451 GRN 51951 in Mukim of Kuala Lumpur	23.72	Sunway D'Mont Kiara Sdn Bhd	Residential Development under construction	-	Freehold	6,682	Nov 2001	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
GRN.81528 Lot 62634 GRN.81532 Lot 62639 GRN.81539 Lot 62656 GRN.81529 Lot 62635 GRN.81536 Lot 62649 GRN. 81530 Lot 62637 GRN. 81531 Lot 62638 GRN. 81527 Lot 62631 GRN.81538 Lot 62654 GRN.81535 Lot 62654 GRN.81537 Lot 62651 GRN.81540 Lot 62651 GRN.81540 Lot 62661 GRN.81533 Lot 62640 GRN.81533 Lot 62640 GRN.81542 Lot 62663 H.S. (D) 238251 PT892 H.S. (D) 222682 PT885 H.S. (D) 222684 PT887 Bandar Sunway, Selangor	88.17	Sunway South Quay Sdn Bhd	Integrated Development under construction		Leasehold expiring 15.07.2104 & 15.05.2106	438,205	Apr 2004 Apr 2005 Mar 2006 Mar 2006	
Lot 41 PN9497 Lot 51172 PN 9501 PT 1408 HS(D) 118321 Bandar Sunway Daerah Petaling, Selangor	11.144	Sunway City Berhad	Vacant	-	Leasehold expiring 01.04.2097	793	1986	-
PN 17103 Lot 61759 (formerly known as PT638 HS(D) 174431) Along Jalan PJS 9/1 PJS 9, Bandar Sunway, Selangor	1.796	Sunway City Berhad (land) Sunway Pinnacle Sdn Bhd (formerly known as Quest Affinity Sdn Bhd) (Building under construction)	The Pinnacle under construction	-	Leasehold expiring 01.04.2097	15,426	1986	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
PT 33491-33494 HS (D) 103054-103057 MK Sungei Buloh Daerah Petaling, Selangor	2.10	Sunway Damansara Sdn Bhd	Mixed Development under construction	-	Leasehold expiring 13.05.2095	13,768	Jun 1995	-
PT 893 HS(D) 238252 PT 896 HS(D) 238255 PT 897 HS(D) 238256 Bandar Sunway, Daerah Petaling, Selangor	4.716	Sunway City Berhad	Vacant	-	Leasehold expiring 02.04.2106	559	1986	-
Lot 39019 GM 300 Lot 39020 GM 299 Tempat Sg Penaga Mukim Damansara, Daerah Petaling, Selangor	1.99	Rich Worldclass Sdn Bhd	Vacant	-	Freehold	9,535	Aug 2009	-
PN 16643 Lot 917 Pekan Penaga Daerah Petaling, Selangor	1.78	Sunway City Properties Sdn Bhd	Vacant	-	Leasehold expiring 25.05.2097	289	1998	-
Lot No 18336 No Hakmilik 92673 Lot No 7144 No Hakmilik 92621 PT 1696-97 HS (D) 39673-74 PT 4023 HS (D) 28648 PT 22324 HS (D) 121725 MK Semenyih Daerah Ulu Langat, Selangor	512.34	Sunway Semenyih Sdn Bhd	Vacant	-	Freehold	125,149	Aug 1996 Aug 1996 Aug 1996 Aug 1996 Jun 2000	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.)								
Lot 1333 HS(D) 259881 Mukim Damansara Daerah Petaling, Selangor	1.777	Sunway Parking Management Sdn Bhd	Vacant	-	Leasehold expiring 14.03.2090	14,158	Apr 2010	-
Lot 17-31 PN 11404-11417 Bandar Sunway Daerah Petaling, Selangor	2.750	Frontier Acres Sdn Bhd	Vacant	-	Leasehold expiring 14.11.2096	7,187	May 2004	-
Lot 1754 Geran No 35332 Seksyen 12 Daerah Timur Laut, Pulau Pinang	0.14	Sunway Hotel (Penang) Sdn Bhd	Vacant	-	Freehold	750	Aug 2006	-
PT 242980 Lot 32978 Mukim Cheras, Selangor	1.60	Sunway City Properties Sdn Bhd	Mixed Development under construction	-	Freehold	4,238	Dec 2003	-
PTD No.5728 HS(D) 219690 PTD No.5729 HS(D) 219691 PTD No.5717 HS(D) 219683 Mukim Bukit Raja Daerah Petaling, Selangor	5.36	Sunway Monterez Sdn Bhd	Vacant	-	Leasehold expiring 13.12.2091	10,807	Jul 2001	-
PTD No.5500, HS(D) 219458 PTD No.5428, HS(D) 219385 PTD No. 5324, HS(D) 219281 PTD No. 5263, HS(D) 219220 PTD No. 5690-5716, HS(D) 219656-219682 Mukim Bukit Raja Daerah Petaling, Selangor	3.01	Sunway Monterez Sdn Bhd	Residential Development 2-storey link house (4 units) and commercial development under construction	-	Leasehold expiring 13.12.2091	3,179	Jul 2001/ Sep 2005	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Properties under development & land held for development (contd.) Lot 17112-17147 HS (M) 2780-2815	3.43	Sunway Grand Sdn Bhd	Sunway Prima	-	Freehold	10,254	Nov 2006	-
Mukim 12 Daerah Barat Daya, Pulau Pinang			Commercial Development					
Lot 2172 GM No. 1037 Mukim 9 Daerah Barat Daya, Pulau Pinang	0.55	Sunway Tunas Sdn Bhd	Vacant	-	Freehold	433	Nov 2000	-
Lot 14345 GRN 81977 Mukim 12 Daerah Barat Daya, Pulau Pinang	81.600	Sunway City (Penang) Sdn Bhd	Vacant		Freehold	40,112	Jul 2006	-
Lot 565 GM 382 Lot 114 Geran 41265 Lot 115 Geran 41266 Lot 133 Geran 41271 Lot 90 Geran 19199 Lot 95 Geran 19200 Lot 122 Geran 41270 Lot 138 Geran 22315 Lot 1295 Geran 49131 Lot 1296 Geran 49132 Section 1, Bandar Bukit Mertajam Daerah Sebarang Perai Tengah Pulau Pinang	6.356 2.062 0.794 2.369 0.802 1.100 1.328 1.167 3.253 0.649	Sunway Bintang Sdn Bhd (formerly known as Prime Delight Sdn Bhd)	Vacant	-	Freehold	18,295	Jul 2010 Jul 2010 Jul 2010 Jul 2010 Jul 2010 Jul 2010 Aug 2010 Dec 2010 Dec 2010	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Completed properties for sale Lot 58694 Tempat Sg Teba Geran Mukim 7323 Mukim Batu Negeri Wilayah Persekutuan	<mark>0.030</mark> / 1,259	Sunway City Berhad	Casa Kiara condo	4	Freehold	315	Oct 2006	-
PN 11815 Lot 61770 M1-A/21/123 (A-21-02) M1-B/23/258 (B-23-03) M1-B/23/258 (B-23-04) M1-B/23/257 (B-23-05) M1-B/23/257 (B-23-06) Bandar Sunway Daerah Petaling, Selangor	5.134 / 14,587	Sunway City Berhad	Lagoonview (5 units)	11	Leasehold expiring 01.04.2097	2,289	1986 / Jan 1999	-
PT 17230 HS(D) 9296 PT 1384 HS(D) 8437 Bandar Sunway Daerah Petaling, Selangor	0.098 / 3,620	Sunway City Berhad	Residential (2 units)	16-20	Leasehold expiring 11.03.2095 & 30.10.2093	221	1986 / 1989-1993	-
PN11814 Lot 61769 M1-C/1/186 (C-01-03) M1-A/1/12 (A-01-01) M1-C/1/185 (C-01-04) Bandar Sunway Daerah Petaling, Selangor	6.783 / 4,991	Sunway City Berhad	Palmville Condominium (3 units)	14	Leasehold expiring 01.04.2097	644	1986 / Mar 1995	-

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Completed properties for sale (contd.) PN 11816 PT61771 M2/25/123 (A-25-01) M2/25/124 (A-25-02) Bandar Sunway Daerah Petaling, Selangor	<mark>0.044</mark> / 8,747	Sunway City Berhad	Sun U Residence Block A (2 units)	8	Leasehold expiring 01.01.2097	1,674	1986 / 2001	-
PT45 HS(D)118349 Mukim Damansara Daerah Petaling, Selangor	0.404 / 22,324	Sunway City Berhad	Mentari Business Park (25 units)	5	Leasehold expiring 01.04.2097	5,749	2005	-
Land titles details, please refer to Note 2 Daerah Sebarang Perai Tengah Pulau Pinang	0.676 / 38,499	Era Primision Sdn Bhd	Business Park (44 units)	11	Leasehold expiring 21.10.2092	5,358	May 1992/ May 2000	-
PT 2321 HS (M) 2900 PT 2486 HS (M) 3003 PT 2507 HS (M) 3024 Mukim 13, Timur Laut Pulau Pinang	0.435 / 12,159	Sunway Bukit Gambier Sdn Bhd	Sunway Bukit Gambier (3 units)	1	Freehold	4,928	Sep 2003	-
GRN 12523 Lot 013853S Daerah Kinta Bandar Ipoh, Perak	0.167 / 18,595	Area Star Sdn Bhd	Shop Offices (1 unit - conner lot)	4	Freehold	1,654	Dec 1996	-
PT 369, HS (D) 145184 Mukim Sungei Buloh Daerah Petaling, Selangor	2.91 / 126,802	Sunway Damansara Sdn Bhd	Carpark structure	2	Leasehold expiring 23.11.2100	9,950	Jun 1995 / Nov 2007	-

List of Properties as at 31 December 2010 (contd.)

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Completed properties for sale (contd.)								
PN232320 Lot 303198 PN23238 Lot 303206 PN232358 Lot 303230 PN232361 Lot 303232 PN232382 Lot 303249 PN232435 Lot 303295 PN232437 Lot 303296 PN232463 Lot 303299 PN232465 Lot 303301 PN232467 Lot 303302 PN232470 Lot 303305 PN232470 Lot 303305 PN232506 Lot 303327 PN232507 Lot 303328 PN232508 Lot 303329 PN232510 Lot 303330 PN258190 Lot 331210 Jalan Tambun MK Ulu Kinta Daerah Kinta, Perak	0.656 / 53,993	Sunway City (Ipoh) Sdn Bhd	Commercial & Industrial (17 units)	9	Leasehold expiring 27.10.2097	4,928	Dec 1994 / 2000	
PTD No.5402 HS(D) 219359 PTD No. 14738 HS(D) 24692 Mukim Bukit Raja Daerah Pertaling, Selangor	0.140 / 6,098	Sunway Monterez Sdn Bhd	2-storey link house (1 unit), Low Cost Flat (2 units)	1	Leasehold expiring 13.12.2091	508	Jul 2001	-
PT 44758 HS(D) 129465 PT 44875 HS(D) 129582 Mukim Cheras, Selangor	0.19 / 8,482	Sunway City Properties Sdn Bhd	2-storey link house (2 units)	4	Freehold	834	Dec 2003	-

List of Properties as at 31 December 2010 (contd.)

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	Date of acquisition of land / building (in month & year)	Date of revaluation
Completed properties for sale (contd.)								
Lot 25160 No Hakmilik 161578 PT 22382 HS (D) 121783 PT 22395 HS (D) 121796 MK Semenyih Daerah Ulu Langat, Selangor	8.857 / 2,043	Sunway Semenyih Sdn Bhd	Shopoffice (2 unit) Low cost flats (2 units)	6	Freehold	808	Aug 1996	-
Overseas properties								
No. 1, Street 92, Sangkat Wat, Phnom Penh Cambodia	0.989 / 125,313	Sunway Hotel Phnom Penh Ltd	Sunway Hotel Phnom Penh	12	Leasehold expiring 28.04.2066	17,523	March 1996	-
No. 19, Pham Dinh Ho, Hanoi Vietnam	0.216 / 105,918	Sunway Hotel Hanoi Liability Limited Company with One Member	Sunway Hotel Hanoi	12	Leasehold 14.09.2027	12,030	Dec 2007	-

^{1.} Lot 303521 PN 232874, Lot 303522 PN 232876, Lot 303523 PN 232878, Lot 303524 PN 232880, Lot 303525 PN 232882, Lot 303526 PN 232884, Lot 303527-303529 PN 232886-232888, Lot 303250-303267 PN 232383-232390, Lot 303263-303276 PN 232399-232412, Lot 303277-303280 PN 232414-232417, Lot 303281-303285 PN 232419-232424, Lot 303375-303398 PN 232600-232623, Lot 303399 PN 232695, Lot 303400 PN 232697, Lot 303401-303403 PN 232700-232702, Lot 303404 PN 232690, Lot 303405 PN 232698, Lot 303408-303430 PN 232704-232728, Lot 303431 PN 232731, Lot 303432 PN 232739, Lot 303432 PN 232739, Lot 303434 PN 232752, Lot 303434 PN 232754, Lot 303435 PN 232756, Lot 303436-303442 PN 232770-232776, Lot 303443 PN 232778, Lot 303444 PN 232780, Lot 303445 PN 232782, Lot 303446 PN 232784, Lot 303538 PN 232895, Lot 331233 PN 258215, Lot 352411 PN 305669, Lot 352409 PN 305670, Lot 352410 PN 305671, PT 195252-195254 HS (D) 132271-132273, PT 195465 HS (D) 132484, PT 198580 HSD 134733, PT 198924 HS (D) 135244, PT 220273 HS (D) 174265, PT 220274-220274 PS (D) 174266-174267, PT 220319-220334 HS (D) 171523-171538, PT 220399-180 (D) 171635, PT 220408 HS (D) 174258, PT 220410 HS (D) 174260, PT 220411 HS (D) 174261, PT 220413 HS (D) 174263, PT 232859-232839-232840 HS (D) 18705, PT 232850 HS (D) 187106, PT 232858 HS (D) 187114, PT 232866 HS (D) 187122, PT 232819-232837 HS (D) 18705-187093, PT 232874 HS (D) 187125, Lot 303448-303450 PN 232818-232826, Lot 303452-303455 PN 232824-232825, Lot 303456 PN 232852, Lot 303456 PN 232852, Lot 303456 PN 232852, Lot 303456 PN 232852, Lot 303466 PN 232854, Lot 303466 PN 232854, Lot 303466 PN 232855, Lot 303466 PN 232856, Lot 303466 PN 232856, Lot 303466 PN 232856, Lot 303466 PN 232857, PT 220448 HS (D) 174450, PT 220418-12048 HS (D) 174444, Lot 303459 PN 232866, Lot 303457 PN 232866, Lot 303457 PN 232866, Lot 303457 PN 232866, Lot 303457 PN 232866, Lot 303466 PN 232857, Dot 303466 PN 232856, Lot 303466 PN 232856, Lot 303466 PN 23285

^{2.} PN 01822 M1-2-38, PN 01822 M1-2-39, PN 01822 M1-2-40, PN 01822 M1-3-56, PN 01822 M1-3-55, PN 01822 M1-4-70, PN 01822 M1-5-90, PN 01822 M1-5-88, PN 01822 M1-5-87, PN 01822 M1-5-86, PN 01822 M1-6-108, PN 01822 M1-6-107, PN 01822 M1-6-106, PN 01822 M1-6-104, PN 01822 M1-6-102, PN 01822 M1-6-101, PN 01822 M1-7-124, PN 01822 M1-7-123, PN 01822 M1-7-121, PN 01822 M1-7-120, PN 01822 M1-7-119, PN 01822 M1-5-96, PN 01822 M1-5-96, PN 01822 M1-5-99, PN 01822 M1-6-111, PN 01822 M1-6-112, PN 01822 M1-6-113, PN 01822 M1-6-114, PN 01822 M1-6-115, PN 01822 M1-7-127, PN 01822 M1-7-128, PN 01822 M1-7-129, PN 01822 M1-7-130, PN 01822 M1-7-131, PN 01822 M1-1-24

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 year ended
31 December 2010 are as follows:-

	Mandated Related Parties	Nature of Transactions	Purchases RM'000	Sales RM'000
(a)	Sunway Holdings Berhad ("Sunway Holdings") Group	Procurement of construction and related services *	28,068	-
(b)	Sunway Education Group Sdn Bhd ("SEG") Group	Rental of premises/ properties #	-	28,788
(c)	Dekon Holdings Sdn Bhd Group	Procurement of construction and related services *	135,191	-

NOTES:

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 9/16, 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; Monash University Sunway Campus at Jalan Universiti PJS 11/26A, 46150 Petaling Jaya, Selangor; PT35 (Lot 41), Bandar Sunway, Daerah Petaling, Selangor and Palmville Condominium at Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor.

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 Group 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, Sarena Cheah Yean Tih and Evan Cheah Yean Shin 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.

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.

Deemed Interest

Ngian Siew Siong²

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling 3

Directors' Interests in Shares, Options over Ordinary Shares and Warrants as at 26 April 2011

73,429,839

3,343

	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	#
Dato' Ngeow Voon Yean	300,000	0.06
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim	10,000	#
Deemed Interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling 1	198,473,117	42.23
Ngian Siew Siong ²	42,600	0.01
	Options over Ordinary Shares	of RM1.00 each
		No.
Direct Interest		
Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim		50,000
Datin Paduka Low Siew Moi		50,000
Tan Siak Tee		50,000
	Warra	ants 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	#
Dato' Ngeow Voon Yean	100,000	0.07

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:

- 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
- 3 Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd, spouse and child
- # Negligible

47.90

Analysis of Shareholdings as at 26 April 2011

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 - RM470,012,432 comprising 470,012,432 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	167	3.18	1,724	0.00
100 - 1,000	2,564	48.83	2,397,934	0.51
1,001 - 10,000	2,051	39.06	7,840,451	1.67
10,001 - 100,000	341	6.49	10,291,463	2.19
100,001 - 23,500,621 (Less than	124	2.36	200,228,621	42.60
5% of issued shares)				
23,500,622 (5%) and above	4	0.08	249,252,239	53.03
	5,251	100.00	470,012,432	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
1. Cartaban Nominees (Asing) Sdn Bhd	Government of Singapore Investment Corporation Pte Ltd for Government of Singapore	100,000,000	21.28
2. Sungei Way Corporation Sdn Bhd	-	84,252,239	17.93
3. ABB Nominee (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	40,000,000	8.51
4. Mayban Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	25,000,000	5.32
5. Oh Kim Sun	-	23,215,200	4.94
6. Dato' Lim Say Chong	-	21,569,600	4.59
7. Jef-San Enterprise Sdn Bhd	-	15,801,045	3.36
8. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	11,813,251	2.51

Analysis of Shareholdings as at 26 April 2011 (contd.)

	Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
9.	Strategic Alpha Ventures Sdn Bhd	-	8,234,900	1.75
10.	Progressive Traders Sdn Bhd	-	7,958,490	1.69
11.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN	J.P. Morgan Bank Luxembourg S.A.	7,191,462	1.53
12.	Oriental Dragon Enterprises Inc.	-	6,963,200	1.48
13.	Lim Suan	-	6,800,000	1.45
14.	Active Builder Sdn Bhd	-	6,523,930	1.39
15.	Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board	6,364,100	1.35
16.	Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board (Nomura)	5,222,400	1.11
17.	Timah Sini-Sana Sdn Bhd	-	5,213,409	1.11
18.	Active Equity Sdn Bhd	-	4,776,552	1.02
19.	Amanahraya Trustees Berhad	Amanah Saham Wawasan 2020	3,668,200	0.78
20.	Citigroup Nominees (Asing) Sdn Bhd - CBNY	Dimensional Emerging Markets Value Fund	3,598,800	0.77
21.	Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	3,353,400	0.71
22.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	Prudential Fund Management Berhad	2,373,200	0.50
23.	Teng Yew Huat	-	2,160,000	0.46
24.	HSBC Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	2,000,000	0.43
25.	Mayban Nominees (Tempatan) Sdn Bhd	Etiqa Insurance Berhad (Life Par Fund)	1,800,000	0.38
26.	Ti Lean Chuan	-	1,579,700	0.34
27.	Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board (RHB INV)	1,350,000	0.29
28.	Amanahraya Trustees Berhad	Public Islamic Select Treasures Fund	1,290,000	0.27
29.	Amanahraya Trustees Berhad	Amanah Saham Bank Simpanan Nasional	1,200,000	0.26
30.	Mayban Nominees (Tempatan) Sdn Bhd	Etiqa Insurance Berhad (Non-Par Fund 2)	1,100,000	0.23

Analysis of Shareholdings as at 26 April 2011 (contd.)

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares	%
 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Direct interest Deemed interest #a 	12,823,251 198,473,117	2.73 42.23
 Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng Direct interest Deemed interest #b 	10,000 211,286,368	* 44.95
 3. Sarena Cheah Yean Tih Direct interest Deemed interest #c 	10,000 211,286,368	* 44.95
 Sungei Way Corporation Sdn Bhd Direct interest Deemed interest #d 	152,179,691 5,213,409	32.38 1.11
 5. Timah Dunia Dredging Sdn Bhd Deemed interest #e 	157,393,100	33.49
 6. Active Equity Sdn Bhd Direct interest Deemed interest #f 	4,776,552 165,351,590	1.02 35.18
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 26 April 2011

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	180	8.61	7,118	0.01
100 - 1,000	968	46.32	462,124	0.30
1,001 - 10,000	653	31.24	2,703,303	1.76
10,001 - 100,000	217	10.38	7,285,364	4.75
100,001 - 7,664,866 (Less than	70	3.35	36,392,079	23.74
5% of warrants in issue)				
7,664,867 (5%) and above	2	0.10	106,447,356	69.44
	2,090	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	-	73,114,023	47.69
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.	Oriental Dragon Enterprises Inc.	-	4,539,993	2.96
5.	Cartaban Nominees (Asing) Sdn Bhd - Lehman Brothers Securities Asia Limited	Lehman Brothers Commercial Corporation Asia Limited	1,750,000	1.14
6.	RHB Capital Nominees (Tempatan) Sdn Bhd	Susy Ding	1,736,000	1.13
7.	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	Prudential Fund Management Berhad	1,730,000	1.13
8.	HLG Nominee (Tempatan) Sdn Bhd - Hong Leong Bank Bhd	Chuan Hong Hang Sdn Berhad	1,700,000	1.11
9.	RHB Capital Nominees (Tempatan) Sdn Bhd	Choong Foong Ming	1,220,300	0.80
10.	Mayban Nominees (Tempatan) Sdn Bhd	Beh Chan Pin	1,000,000	0.65

Analysis of Warrantholdings as at 26 April 2011 (contd.)

12. Ho Chu Ch13. Public Non14. Ngan Teng15. Dato' Tan I	ninees (Tempatan) Sdn Bhd Han Kia Loke ecurities Nominees (Tempatan) Sdn Bhd n Sang	Tan Moi Peng - Yap Chi Keong - - Lee Siu Wah	940,000 810,800 759,500 740,000 698,600 636,900	0.61 0.53 0.50 0.48 0.46
13. Public Non14. Ngan Teng15. Dato' Tan I16. Mayban Se	ninees (Tempatan) Sdn Bhd Han Kia Loke ecurities Nominees (Tempatan) Sdn Bhd n Sang	- -	759,500 740,000 698,600	0.50 0.48
14. Ngan Teng15. Dato' Tan I16. Mayban Se	Han Kia Loke ecurities Nominees (Tempatan) Sdn Bhd n Sang	- -	740,000 698,600	0.48
15. Dato' Tan I16. Mayban Se	Gia Loke ecurities Nominees (Tempatan) Sdn Bhd n Sang	- - Lee Siu Wah	698,600	
16. Mayban Se	ccurities Nominees (Tempatan) Sdn Bhd n Sang	Lee Siu Wah	,	0.46
•	n Sang	Lee Siu Wah	636,900	
17. Chong Kua			· ·	0.42
-	2000 (Asing) Cdn Phd	-	542,066	0.35
18. OSK Nomii - Kim Eng	Securities Pte Ltd	Lim Chuan Seng	540,000	0.35
19. Chong Che	ng Sing	-	509,800	0.33
	inees (Tempatan) Sdn Bhd Trustee Bhd	Hwang DBS Select Opportunity Fund	500,000	0.33
21. Cimsec No - CIMB Bar	minees (Tempatan) Sdn Bhd nk	Seow Soon Ming	445,500	0.29
22. Lim Peck H	loon	-	440,400	0.29
	nee (Tempatan) Sdn Bhd ong Bank Bhd	Chuan Hong Hang Properties Sdn Bhd	370,000	0.24
24. Choy Wee	Chiap	-	367,300	0.24
25. HSBC Nom - Exempt A	inees (Asing) Sdn Bhd N	The Bank of New York Mellon (Mellon Acct)	346,603	0.23
	st Nominees (Asing) Sdn Bhd ecurities Limited	Jefferson Agencies Limited	343,333	0.22
27. Lee Chan I	Pheng	-	315,400	0.21
28. Wong Wai	Lee	-	311,300	0.20
29. Mayban No	ominees (Tempatan) Sdn Bhd	Ng See Hien	300,000	0.20
30. Gan Wan k	oon	-	300,000	0.20

Notice of 28th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 28th Annual General Meeting of SUNWAY CITY BERHAD (87564-X) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 June 2011 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon.	(Ordinary Resolution 1)
2.	To approve the payment of Directors' fees and gratuities amounting to RM165,500 and RM136,000 respectively for the financial year ended 31 December 2010.	(Ordinary Resolution 2)
3.	To re-elect the following Directors:-	
	3.1 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 3)
	3.2 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 4)
4.	To consider and if thought fit, to pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-	
	4.1 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' 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 5)
	4.2 "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 6)
	4.3 "THAT pursuant to Section 129 of the Companies Act, 1965, Tan Siak Tee who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."	(Ordinary Resolution 7)
5.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	(Ordinary Resolution 8)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. **ORDINARY RESOLUTION:**

Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 9)

7. ORDINARY RESOLUTION:

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 6 June 2011 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 10)

B. 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 6 June 2011 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, quidelines, 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 11)

9. 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:-
 - 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 12)

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 6 June 2011

NOTES:

- 1. 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.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. 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 9 - Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investment, 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 25 June 2010.

2. Ordinary Resolutions 10 and 11 - 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 6 June 2011.

3. Ordinary Resolution 12 - 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 6 June 2011.

PROXY FORM

28th 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

PRUXY "A"						
I/We			(Please use Block Letter	s)	*NRIC No./Passport No./Company	No
Tel./Mobile No			of .			
						(Please use Block Letters)
*NRIC No./Passport	t No .			Tel./Mobile No	of	
behalf at the 28th	Annua	al Gen		oe held at Grand Caymans, Level 10, Sui		g as my/our 1st proxy to attend and vote for me/us on my/ou Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Daru
WHERE THE MEMI	BER [DESIRI	ES TO APPOINT A 2ND PROXY, T	HIS SECTION MUST ALSO BE COMPLET	ED, OTHERWISE IT SHOULD BE DE	LETED.
PROXY "B"						
I/We					*NRIC No./Passport No./Company	No
			being a member of SU	NWAY CITY BERHAD and entitled to vote I	nereby appoint	(Please use Block Letters)
						(Add do Sion Editor)
						as my/our 2nd proxy to attend and vote for me/us on my/our
						Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Daru
			011 at 3.00 p.m. and at any adjoin	•	way nesort noter & opa, i ersiaran	Lagoon, Danual Gunway, 40130 I Claimy Jaya, Gelangoi Dalu
The proportions o	f my/	our h	olding to be represented by my	our proxies are as follows:-		
1st Proxy "A" 2nd Proxy "B"			% (to be completed) % (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	ODDINARY RECOLUTIONS	1ST PROXY "A"		2ND PROXY "B"	
NO.	ORDINARY RESOLUTIONS		AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon				
2.	To approve the payment of Directors' fees and gratuities				
3.	To re-elect the following Directors:- Datin Paduka Low Siew Moi				
4.	Lim Swe Guan				
5.	To approve the re-appointment of Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim as Director				
6.	To approve the re-appointment of Datuk Razman M Hashim as Director				
7.	To approve the re-appointment of Tan Siak Tee as Director				
8.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				
9.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
10.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
11.	To 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				
12.	To authorise the purchase of own shares by the Company				

Dated thisday of		
	Common	
	Seal	
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.
- 2. 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.
- 3. 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.
- 5. 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 (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original 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.

PLEASE FOLD HERE

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

PLEASE FOLD HERE

CORPORATE DIRECTORY

PROPERTY DEVELOPMENT

SUNWAY CITY BERHAD
SUNWAY SOUTH QUAY SDN BHD
SUNWAY DAMANSARA SDN BHD
SUNWAY D'MONT KIARA SDN BHD
SUNWAY MONTEREZ SDN BHD
SUNWAY MELAWATI SDN BHD
SUNWAY KINRARA SDN BHD
SUNWAY CITY PROPERTIES SDN BHD
SUNWAY CITY (JB) SDN BHD
(formerly known as Asil Budimas Sdn Bhd)
BINTUTARA SDN BHD
SUNWAY SPK HOMES SDN BHD

PENA ENTERPRISE 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 BUKIT GAMBIER SDN BHD SUNWAY CITY (PENANG) SDN BHD SUNWAY GRAND SDN BHD SUNWAY CREST SDN BHD SUNWAY BINTANG SDN BHD

(formerly known as Prime Delight 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 TECHNOLOGI KAJANG 43500 SEMENJIH, SELANGOR TEL: (603) 8723 3131 FAX: (603) 8723 3030

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD.

NO. 359, XIANGJIANG ROAD JIANGYIN, JIANGSU PROVINCE, CHINA. TEL: (865) 10 8610 3333 (SALES GALLERY) (865) 10 8688 0873 (OFFICE)

(865) 10 8688 0873 (UFFICE

FAX: (865) 10 8610 2688

TIANJIN ECO-CITY SUNWAY PROPERTY DEVELOPMENT CO. LTD.

DEVELOPMENT CO. LTD.
ROOM 212, BLK 7B
WEST AREA, JINRONGJIE
XINCHENG WEST ROAD, TEDA
TIANJIN, CHINA
POSTCODE: 300457
TEL: (86) 22 5985 1699
FAX: (86) 22 5985 1698

SUNWAY CITY INDIA PRIVATE LIMITED SUNWAY OPUS INTERNATIONAL PRIVATE LIMITED

SUNWAY MAK 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 & REIT

SUNWAY REIT MANAGEMENT SDN BHD

(MANAGER FOR SUNWAY REIT) LEVEL 3, MENARA SUNWAY JALAN LAGOON TIMUR BANDAR SUNWAY 46150 PETALING JAYA, SELANGOR TEL: (603) 5639 8889 FAX: (603) 5639 8001

SUNWAY PLATINUM SUCCESS SDN BHD SUNWAY TOWNHOUSE SDN BHD SUNWAY DESTINY SDN BHD (formerly known

as Stellar Destiny Sdn Bhd)
SUNWAY AMBIENCE SDN BHD (formerly
known as Spring Ambience Sdn Bhd)
SUNWAY SYMPHONY SDN BHD (formerly
known as Worldclass Symphony Sdn Bhd)
SUNWAY LEISURE SDN BHD (formerly known

SUNWAY LEISURE SDN BHD (formerly known as Mega Capacity Sdn Bhd)

SUNWAY PARKING SERVICES SDN BHD SUNWAY IFM SDN BHD

SUNWAY RESIDENCE SDN BHD SUNWAY PFM SDN BHD (formerly known as

Menara Sunway Sdn Bhd) SUNWAY PINNACLE SDN BHD (formerly known as Quest Affinity Sdn Bhd)

as Quest Affinity 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 TOP MAGNITUDE SDN BHD 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 9595

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)

NO. 11, LEBUH TENGGIRI DUA PUSAT BANDAR SEBERANG JAYA 13700 PRAI, PENANG TEL: (604) 370 7788 FAX: (604) 370 0555

KINTA SUNWAY RESORT SDN BHD

(Owner of The Banjaran Hotsprings Retreat) NO. 52, JALAN SCI 1/3 DATARAN SUNWAY SUNWAY CITY IPOH 31150 IPOH, PERAK TEL: (605) 548 6668 FAX: (605) 548 6868

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

SUNWAY HOTEL HANOI LIABILITY LIMITED COMPANY WITH ONE MEMBER

19, PHAM DINH HO STREET HAI BA TRUNG DISTRICT HANOI, VIETNAM TEL: (00) 84 4 3971 3888 FAX: (00) 84 4 3971 3555

SUNWAY LOST WORLD HOTEL SDN BHD

(formerly known as Linear Plus Sdn Bhd) NO. 2, PERSIARAN LAGUN SUNWAY 1 SUNWAY CITY IPOH 31150 IPOH, PERAK TEL: (605) 540 8888 FAX: (605) 540 8899

LEISURE

SUNWAY LAGOON SDN BHD

3, JALAN PJS 11/11 BANDAR SUNWAY 46150 PETALING JAYA, SELANGOR TEL: (603) 5639 0000 FAX: (603) 5639 0050 / 5632 9477

SUNWAY LAGOON WATER PARK SDN BHD

NO. 1, PERSIARAN LAGUN SUNWAY 1 SUNWAY CITY IPOH, 31150 IPOH, PERAK TEL: (605) 542 8888 FAX: (605) 542 8899

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 TEL: (604) 399 5622 FAX: (604) 399 0622

SUNWAY TRAVEL SDN BHD

@ THE LOBBY, SUNWAY HOTEL GEORGETOWN NO. 33, NEW LANE (OFF MACALISTER ROAD) GEROGETOWN, 10400 PENANG TEL: (604) 227 2622 FAX: (604) 226 4781

SUNWAY TRAVEL SDN BHD

SUNWAY UNIVERSITY
NO. 5, JALAN UNIVERSITY
BANDAR SUNWAY
46150 PETALING JAYA, SELANGOR
TEL: (603) 5634 1622 FAX: (603) 5636 8261

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 TEL: (603) 5639 8600 FAX: (603) 5639 9588

SUNWAY INTERNATIONAL VACATION CLUB BERHAD

SUNWAY HEALTHY LIFESTYLE SDN BHD LEVEL 1, MENARA SUNWAY JALAN LAGOON TIMUR, BANDAR SUNWAY 46150 PETALING JAYA, SELANGOR TEL: (603) 5639 9221 / 5639 9993

PYRAMID BOWL SDN BHD

FAX: (603) 5639 9555

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 BANDAR SUNWAY 46150 PETALING JAYA, SELANGOR TEL: (603) 7491 9191 FAX: (603) 7491 8181

SUNMED@HOME SDN BHD

1-23, JALAN PJS 9/1A PUSAT PERNIAGAAN LAGOON PERDANA BANDAR SUNWAY 46150 PETALING JAYA, SELANGOR TEL: (603) 5621 1382 FAX: (603) 5621 1380

SUNMED CLINICS SDN BHD

CP2.01, ORANGE ATRIUM SUNWAY PYRAMID SHOPPING MALL NO. 3, JALAN PJS 11/15 BANDAR SUNWAY 46150 PETALING JAYA SELANGOR DARUL EHSAN TEL: (603) 7491 0121 / 7491 0151 FAX: (603) 7491 0161