



*unlocking new capital*



## unlocking new capital

Generating sustainable growth for Sunway Holdings Berhad (*formerly known as Sunway Holdings Incorporated Berhad*) ("Sunway") lies in unlocking its potential and moving beyond its boundaries, hence the map-shaped key resting on an arc of the Earth aptly symbolises global expansion.

## FINANCIAL CALENDAR

**29 NOVEMBER 2007**  
Announcement of the unaudited consolidated results for the 1st quarter ended 30 September 2007

**25 FEBRUARY 2008**  
Announcement of the unaudited consolidated results for the 2nd quarter ended 31 December 2007

**29 MAY 2008**  
Announcement of the unaudited consolidated results for the 3rd quarter ended 31 March 2008

**26 AUGUST 2008**  
Announcement of the unaudited consolidated results for the 4th quarter ended 30 June 2008

**17 NOVEMBER 2008**  
Announcement of the notice of entitlement and payment of Final Dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008

**18 NOVEMBER 2008**  
Issuance of the notice of 30th Annual General Meeting and Annual Report for the financial year ended 30 June 2008

**27 NOVEMBER 2008**  
Announcement of the unaudited consolidated results for the 1st quarter ended 30 September 2008

**10 DECEMBER 2008**  
Date of 30th Annual General Meeting

**30 JANUARY 2009**  
Date of entitlement to Final Dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008

**26 FEBRUARY 2009**  
Date of payment of Final Dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008

## vision

To be a leading conglomerate providing world-class and competitive products and services that enhance stakeholders' value.

## mission

To provide innovative quality products and services that exceed customers' expectation.

To continuously attract, retain and develop human capital.

To achieve market leadership and operating excellence in every business segment.

## core values

### **Excellence**

We will have only one standard - excellence!

### **Customers**

We will strive to exceed customers' expectations.

### **Motivating Leadership**

We will lead by example.

### **Teamwork**

We share one Vision, we work as one Team.

### **Innovation**

We will encourage and reward innovation, especially breakthrough ideas.

### **Integrity**

We will conduct ourselves professionally and ethically.



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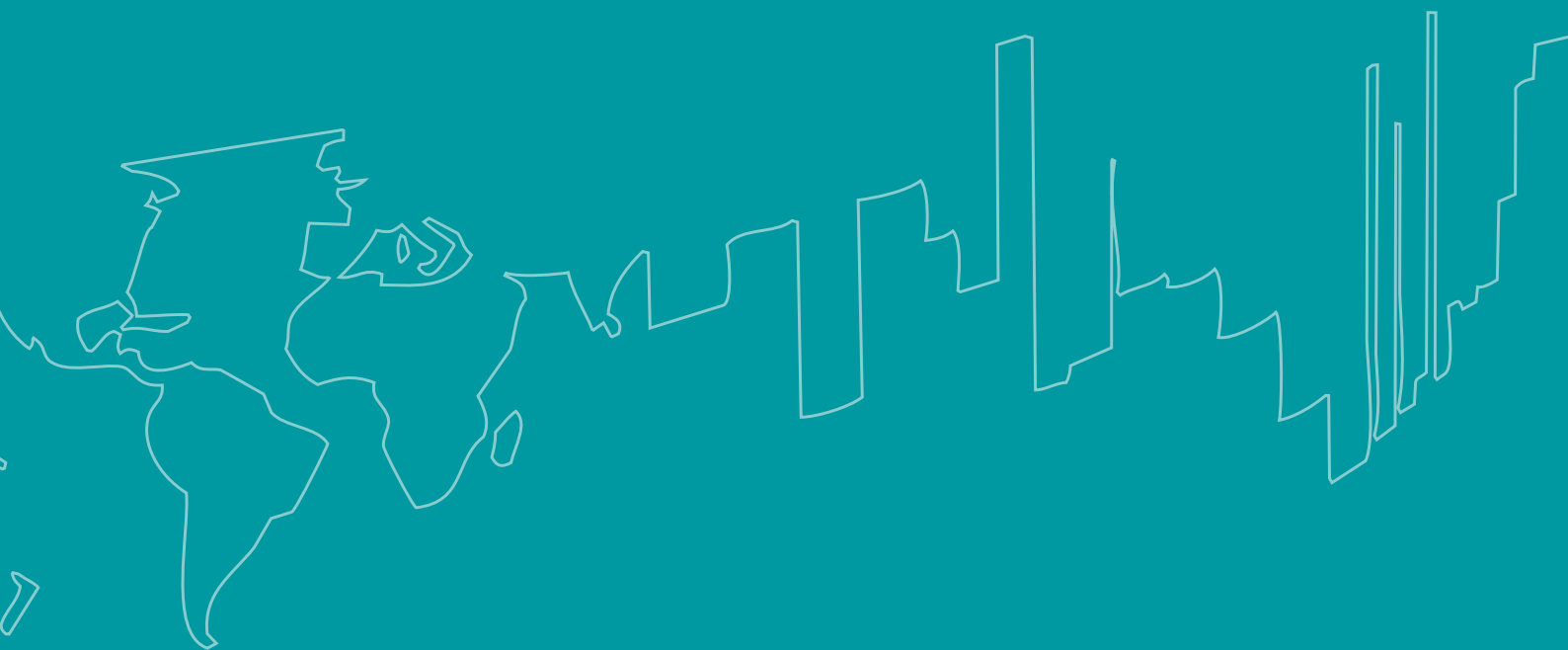
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*"Menara Sunway" - Headquarters of Sunway Holdings Berhad, located at Bandar Sunway*



## *corporate sunway*

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Chairman, Non-Independent Executive Director

Tan Sri Dato' Seri Dr Cheah Fook Ling, AO

### President, Non-Independent Executive Director

Dato' Chew Chee Kin

### Managing Director, Non-Independent Executive Director

Yau Kok Seng

### Finance Director, Non-Independent Executive Director

Koong Wai Seng

### Non-Independent Non-Executive Directors

Dato' Tan Kia Loke

Kwan Foh Kwai

### Senior Independent Non-Executive Director

Wong Chin Mun

### Independent Non-Executive Directors

Datuk Low Seng Kuan

Datuk Abdul Malek Bin Abdul Aziz

## AUDIT COMMITTEE

Wong Chin Mun (Chairman)

Datuk Low Seng Kuan

Datuk Abdul Malek Bin Abdul Aziz

## MANAGEMENT COMMITTEE

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

Dato' Chew Chee Kin

Dato' Tan Kia Loke

Yau Kok Seng

Koong Wai Seng

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng

## NOMINATION COMMITTEE

Wong Chin Mun (Chairman)

Datuk Low Seng Kuan

Datuk Abdul Malek Bin Abdul Aziz

## REMUNERATION COMMITTEE

Wong Chin Mun (Chairman)

Datuk Low Seng Kuan

Tan Sri Dato' Seri Dr Cheah Fook Ling, AO

## EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

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

Dato' Chew Chee Kin

Dato' Tan Kia Loke

Yau Kok Seng

## RISK MANAGEMENT COMMITTEE

Yau Kok Seng (Chairman)

Koong Wai Seng

Kwan Foh Kwai

Wong Fook Chai

Ng Boon Liang

Leong Kai Hong

Yap Chin Leong

Teh Quen Chang

Khoo Poh Chye

Ng Eng Lee

## STRATEGIC DIRECTION COMMITTEE

Dato' Chew Chee Kin (Chairman)

Dato' Tan Kia Loke

Yau Kok Seng

Koong Wai Seng

Kwan Foh Kwai

Wong Fook Chai

Ng Boon Liang

Leong Kai Hong

Yap Chin Leong

Teh Quen Chang

Khoo Poh Chye

## 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 : (03) 5639 8889

Fax No: (03) 5639 9507

## SHARE REGISTRAR

Sunway Management Sdn Bhd <sup>(50661-X)</sup>

Level 16, Menara Sunway, Jalan Lagoon Timur

Bandar Sunway, 46150 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel No : (03) 5639 8889

Fax No: (03) 5639 9507

## AUDITORS

PricewaterhouseCoopers

Chartered Accountants

## SOLICITORS

David Lingam & Co.

Mah-Kamariyah & Philip Koh

## PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

RHB Bank Berhad

## STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

## WEBSITE ADDRESS

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

## INVESTOR RELATIONS

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

Tel No : (03) 5639 8663



# CORPORATE PROFILE

*Visionary leadership, perceptive and transparent corporate policies, synergistic teamwork have shaped Sunway into becoming what it is today - a leader in all areas it specialises in*

Sunway was incorporated on 26 January 1978 as an investment operations arm of one of Malaysia's most prominent and well-diversified conglomerate, the Sunway Group. Listed on the Main Board of Bursa Malaysia Securities Berhad since 1984, Sunway started humbly as a local tin-mining and quarrying company.

Today, Sunway's core businesses include construction, quarrying, trading and manufacturing, building materials and property development, with growing presence in various countries around the world.

Each of Sunway's subsidiaries has synergistic alliances within the Group, strengthening its operations and providing a strong platform upon which the Group can expand its presence over a multitude of geographical areas. With this, Sunway is well positioned for long-term growth on the international business arena.

Be it transforming wasteland into thriving townships, pioneering innovative construction methods or realising the aspirations of a fast developing nation and establishing its connection with the rest of the world, the Group is all about : "Turning Vision into Reality".

## SUNWAY'S GLOBAL PRESENCE

	Construction	Quarry	Trading and Manufacturing	Building Materials	Property Development
Malaysia	✓	✓	✓	✓	✓
China	✓		✓	✓	✓
Singapore			✓	✓	✓
Indonesia			✓		
Vietnam		✓		✓	
India	✓				
Thailand			✓		
United Arab Emirates	✓				
Trinidad and Tobago	✓	✓			
Australia			✓		

# GROUP CORPORATE STRUCTURE

## CONSTRUCTION

- ☐ Sunway Construction Sdn Bhd
- ☐ Sunway Engineering Sdn Bhd
- ☐ Sunway Machinery Sdn Bhd
- ☐ Sunway Construction India Pte Ltd #
- ☐ Sunway Construction Caribbean Ltd #
- ☐ Sunway Builders Sdn Bhd  
--- Sunway Builders branch in Abu Dhabi
- ☐ Sunway Innopave Sdn Bhd  
--- Sunway Innopave branch in Abu Dhabi
- ☐ Sunway Precast Industries Sdn Bhd
- ☐ Sunway Concrete Products (S) Pte Ltd #
- ☐ Sunway Geotechnics (M) Sdn Bhd  
(formerly known as Sunway Piling Sdn Bhd)
- ☐ Sunway Developments Pte Ltd #
- ☐ Sunway Creative Stones Sdn Bhd
- ☐ Sunway Creative Stones (Xiamen) Co. Ltd #

## QUARRY

- ☐ Sunway Quarry Industries Sdn Bhd
- ☐ Sunway Hatay Construction & Building Materials Co. Ltd #
- ☐ Sungei Way Ocean Joint Venture Ltd #
- ☐ Kualiti Klasik Sdn Bhd
- ☐ Ansa Teknik (Melaka) Sdn Bhd
- ☐ Sunway Quarry Industries (Caribbean) Ltd #
- ☐ PT Sunway Quarry Indonesia #
- ☐ Taiping Kuari Sdn Bhd

## TRADING AND MANUFACTURING

- ☐ Sunway Marketing Sdn Bhd
- ☐ Sunway Marketing (S) Pte Ltd #
- ☐ Sunway Enterprise (1988) Sdn Bhd
- ☐ Sunway Hydraulic Industries Sdn Bhd
- ☐ Sunway Xin Long (Anhui) Hydraulic Co. Ltd #
- ☐ Sunway Trading (Shanghai) Pte Ltd #
- ☐ Sunway Daechang Forging (Anhui) Co. Ltd #
- ☐ PT Sunway Marketing Indonesia #
- ☐ Sunway Marketing (Shanghai) Pte Ltd #
- ☐ PT Sunway Trek Masindo #
- ☐ Sunway Marketing (Thailand) Ltd #
- ☐ Totalrubber Limited #
- ☐ Pacific Flow Technology Pty Ltd #
- ☐ Total Rubber Services Franchising Pty Ltd #
- ☐ Sunway Marketing (East Malaysia) Sdn Bhd
- ☐ Sunway Hose Centre Sdn Bhd
- ☐ Sunway Architectural Products Sdn Bhd
- ☐ Sun Pharmaceutical Sdn Bhd
- ☐ Sunway Pharma Sdn Bhd
- ☐ Sun Pharmaceutical Pte Ltd #
- ☐ Buildtrend B.S.G. (M) Sdn Bhd \*



## BUILDING MATERIALS

- ☐ Sunway Paving Solutions Sdn Bhd
- ☐ Sunway Keramo Sdn Bhd
- ☐ Sunway Pipeplus Technology Sdn Bhd
- ☐ Sunway Building Materials (Shanghai) Co. Ltd #
- ☐ Sunway Building Materials (Dongguan) Co. Ltd #
- ☐ Sunway Spun Pile (Zhuhai) Co. Ltd #
- ☐ Sunway Cavity Wall Panel Sdn Bhd
- ☐ Sunway Cavity Wall Panel (S) Pte Ltd #

## PROPERTY DEVELOPMENT

- ☐ SunwayMas Sdn Bhd
- ☐ Muhibbah Permai Sdn Bhd
- ☐ Sunway Termuning Sdn Bhd  
(formerly known as *Termuning Development Sdn Bhd*)
- ☐ Sunway Greenview Sdn Bhd  
(formerly known as *Mountain Prisma Sdn Bhd*)
- ☐ Sunway Rawang Heights Sdn Bhd
- ☐ Sunway Kanching Heights Sdn Bhd
- ☐ Sunway Real Estate (China) Limited \*#
- ☐ Hoi Hup Sunway Development Pte Ltd \*#
- ☐ Hoi Hup Sunway J.V. Pte Ltd \*#

## INVESTMENT HOLDING AND OTHERS

- ☐ Sunway Management Sdn Bhd
- ☐ Sunway Global Limited #
- ☐ Sunway Holdings (Vietnam) Sdn Bhd
- ☐ Sunway Hotel Hanoi Liability Limited Co. #
- ☐ Sunway Leasing Sdn Bhd
- ☐ Sunway Shared Services Centre Sdn Bhd
- ☐ Sunway Risk Management Sdn Bhd
- ☐ Sunway GD Foundation Engineering Co. Ltd #
- ☐ Splendid Era Sdn Bhd
- ☐ Shanghai Xinhetai Construction Ltd #
- ☐ Shanghai Sunway Geotechnics Engineering Co. Ltd #
- ☐ Gopeng Berhad ^\*

### Notes:

This Group Corporate Structure excludes dormant and non-operating companies

^ Public listed company

# Overseas company

\* Associated company / Jointly controlled entity

# CHAIRMAN'S STATEMENT

*The Group's **spectacular results** are testament to the continued success of our well-thought-of business strategies. Combined with its wealth of talented people, the Group is confident and well-placed to weather the challenging market ahead.*

*Dear shareholders,*

It is my pleasure to present to you the performance of Sunway for the financial year ended ("FYE") 2008.

## A REFLECTION OF GROWTH

The Group's phenomenal performance for the financial year under review is evidenced by the significantly expanded margin and a double digit growth in operating profits. Earnings per share reached 18.53 sen and net assets increased to RM1.18 per share.

The Group's revenue once again surpassed the one billion-ringgit mark, achieving RM1.83 billion for the FYE2008. Net profit was RM100 million, a remarkably strong achievement compared to the net loss of RM9.4 million in the previous financial year.

## UNLOCKING NEW CAPITAL

The Group's spectacular results are testament to the continued success of our well-thought-of business strategies which were developed and strategically implemented throughout the year. With the divestment of Sunway Infrastructure Berhad ("SunInfra"), the Group has no further obligations in respect of this investment, thus enabling it to extract full potentials from its diversified portfolios of investments and towards unlocking its new capital.

On the global front, the economic climate is set to cool in the coming year with a near recession in the US economy. The growth in the emerging and developing economies is also expected to ease due to lukewarm global demand. Locally, the economy is forecast to grow at 5.7% in 2008 and at a reduced growth of 3.4%\* in 2009 in light of the worsening external developments. Despite possible repercussion from the sentiments of other markets, the strong domestic demand and implementation of measures by our government to boost the economy would enable the country to sustain growth and sail through this difficult period.

The challenging market conditions would accord opportunities to the Group as there could be potential value transformed into strategic wealth creation. The Group's strategies of selective market expansion and internationalisation of local businesses are expected to further consolidate the foundation for future earnings enhancement of the Group. The Group's long-term direction of expanding its industrial manufacturing and building materials segment, will contribute towards the augmentation of its geographical presence in accordance with Sunway's vision of creating a regional construction, industrial and building materials conglomerate.

## CORE BUSINESSES FOCUS

The Construction Division of the Group had successfully increased its order book during the financial year under review with the awards of several heavyweight contracts in the local environment, among which are the Putrajaya government

\* Forecast by Malaysian Institute of Economic Research



office building, a parcel of the South Klang Valley Expressway and the aviation component manufacturing factory in Subang.

The Group leveraged on its excellent reputation and technical expertise in the Quarry industry to expand further during the year. With the commencement of quarry operations in Trinidad and Tobago, and the acquisition of more quarries, the Division is expected to make a significant profit contribution to the Group.

The Group's Trading and Manufacturing Division which already operates in various parts of the region is undergoing vigorous expansion plans. Its profit recorded annual growth of over 20% in the last few years and the division's strategy to move upstream into the related manufacturing sector will further boost its profit earnings capability.

## ENHANCEMENT OF EARNINGS BASE

It has been a bountiful year for the Group with the achievement of several key milestones.

### Major Abu Dhabi Contract brings the Construction Order Book to RM4 billion

The Group has recently secured a RM1.8 billion construction contract in Abu Dhabi for the proposed Rihan Heights - Arzanah Development construction project to add to its existing construction order book, giving it sustainable earnings for the next 2 to 3 years.

### Second Public Housing Development Project in Singapore

The Group, via its 30% stake in a joint-venture with a Singaporean property developer, was awarded a tender to undertake a second Public Housing Development project in Toa Payoh, Singapore. With the encouraging demand proven for the Group's maiden venture into the Singapore Public Housing Development project located at Boon Keng, this second development project in the strategic location of Toa Payoh will further solidify the Group's position and reputation in the Republic's property market.

### Maiden Entrance to the China Property Market

The Group also made its first foray into the China property development market through Sunway Real Estate (China) Limited, a strategic alliance with Sunway City Berhad. Sunway Real Estate (China) Limited has entered into a strategic partnership with a local Chinese company to undertake a mixed development project in Jiangyin City of Jiangsu Province, an affluent city near Shanghai, China. This pioneer project will provide Sunway with the opportunity to secure further property projects and related opportunities for other divisions of the Group. The Group will also continue to explore opportunities to add more landbanks into this venture.

### Trading Venture Down Under

The acquisition of 90% in Totalrubber Limited, an Australia-based importer and distributor of industrial rubber and plastic products, allows us to gain immediate entry into the Australian market and provides enormous opportunities to tap into synergies



## CHAIRMAN'S STATEMENT



Model of the Rihaan Heights - Arzanah Development construction project in Abu Dhabi

arising from the distribution of our existing products through Totalrubber's established marketing network in that region.

With the Group's existing and burgeoning presence in various parts of the world, I am convinced that we are well positioned for long-term, unabated growth in the international business environment.

### SYNERGIES FROM WITHIN

The Group's Shared Services Centre and Group Procurement offices are an integral part of our exponential growth. As a result of the progressive consolidation of our finance, information technology and procurement functions, we have further increased the efficiency and efficacy of our support functions.

Sunway IT Shared Services Centre was appropriately recognised for its success when it was awarded first placing (Joint-Champion) of Global Emerging Knowledge Organisation (GEKO) Award 2008 in the Practising Organisation Category.

The Group was also ranked sixth in the prestigious Hewitt-Fortune-RBL Top Companies for Leaders 2007- Asia Pacific list. We were the only Malaysian organisation from a list of more than 500 companies assessed to be included in the rankings. This is a clear indication and a key testament to our capabilities to establish quintessence leadership practices, culture and values.

### CORPORATE GOVERNANCE

In order to enhance operating efficiency and to boost investor confidence, we are genuinely and firmly committed to adopting international best practices including a comprehensive investor relations programme and investment appraisal procedures. We strive to continuously improve corporate governance and transparency. With heavier emphasis placed on the importance of internal control and risk management, especially in view of the Group's rapid expansion into the global markets, comprehensive risk management mechanisms have been successfully implemented and incorporated into our operations.

### CORPORATE RESPONSIBILITY

As we subscribe to high ideals of corporate responsibility, Sunway, as a responsible corporate organisation continues to contribute to society through several activities. This is increasingly demonstrated by our efforts to encourage and promote education, healthcare, environmental conservation and support for charitable and humanitarian initiatives.

The Corporate Responsibility Programme which we embarked upon some 3 years ago reflects our aspirations to serve and contribute to the community and the Group continues to host programmes such as Sunway Education Trust Fund, Recycling Collaboration Campaign and the highly regarded Job Placement Programme to aid learning-disabled students.



Hewitt - FORTUNE - RBL Top Companies for Leaders 2007 - Asia Pacific

## DIVIDENDS

In view of the improved performance of the Group, the Directors are pleased to recommend a final dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the FYE2008.

## ACKNOWLEDGEMENT

My appreciation goes out to the Board of Directors for their unfaltering commitment and contributions made. I would also like to express my thanks to our colleagues for their hardwork and commitment throughout the years; and to our valued customers, suppliers, business associates, bankers and shareholders for their unbounded support to the Sunway Group.

## PROSPECTS

We can expect some turbulent times in the coming year amidst the slower economic conditions worldwide. However, the Group, with its wealth of talented people and well-planned growth strategies, is confident and well placed to weather the challenging market ahead.

*yours sincerely,*

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



# CALENDAR OF SIGNIFICANT EVENTS

**26 SEPTEMBER 2007**



## **LETTERS OF AWARD TOTALLING RM520 MILLION FROM PUTRAJAYA HOLDINGS SDN BHD**

Sunway Construction Sdn Bhd ("SunCon"), a wholly-owned subsidiary of Sunway, secured 2 contracts worth a total of RM520 million from Putrajaya Holdings Sdn Bhd for the construction of 2 government buildings in Putrajaya. The contracts involve the design, construction and completion of government office buildings consisting of a 38-storey building with a 4-storey basement carpark and a 39-storey building with a 3-storey basement carpark. Both projects are strategically situated in Precinct 4 of Putrajaya.

**3 OCTOBER 2007**



## **SUNWAY SIGNS MEMORANDUM OF UNDERSTANDING ("MOU") WITH THE GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO**

Sunway entered into a MOU with the Government of the Republic of Trinidad and Tobago to collaborate on construction, development and education projects.

Areas of collaboration under this MOU include civil construction works for highways and ports, design and build, rehabilitation of toll roads and highways, property development which includes design, construction, management and operation of the hospitality industry such as 5-star hotels and resorts in the Republic, and training of Trinidad and Tobago nationals for construction and project management. Manufacturing of building materials such as asphalt, ready mix concrete operations and other concrete products are also part of the collaboration under the MOU. The MOU represents the government's confidence in Sunway; and its experience and expertise in its core competencies of construction, development and education.

**10 OCTOBER 2007**



## **JOINT VENTURE AGREEMENT BETWEEN SUNWAY XIN LONG (ANHUI) HYDRAULIC CO. LTD. AND DCF TREK CO. LTD.**

Sunway Xin Long (Anhui) Hydraulic Co. Ltd., a 78% owned subsidiary of Sunway Global Limited which in turn is a 60% owned subsidiary of Sunway, entered into a Joint Venture Agreement with DCF Trek Co. Ltd. to set up a joint venture company known as Sunway Daechang (Anhui) Manufacturing Co. Ltd. to undertake the following businesses:-

- (a) Manufacturing and assembly of undercarriage components of track links, track rollers, sprockets, idlers, track shoes, pin and bushing and related parts;
- (b) Import, export, stocking and distribution of the product ranges of the above items; and
- (c) Providing design, consultancy services, repair and maintenance of undercarriage groups.

**26 OCTOBER 2007**



## **TECHNOLOGY BUSINESS REVIEW ASEAN AWARDS 2007**

The Founder and Chairman of the Sunway Group, YBhg Tan Sri Dato' Seri Dr Cheah Fook Ling was bestowed the Lifetime Achievement Award under the Property Development, Construction, Education and Humanitarianism category by Technology Business Review, recognising his tremendous contribution to the country and his extraordinary achievements in the past 3 decades.

YBhg Puan Sri Datin Seri (Dr) Susan Cheah received the award on behalf of Tan Sri Cheah at the eminent ceremony held at the Putrajaya International Convention Centre.

**22 DECEMBER 2007**



## **SUNWAY NAMED HEWITT ASSOCIATES' TOP COMPANY FOR LEADERS**

YBhg Tan Sri Dato' Seri Dr Cheah Fook Ling received a prestigious award acknowledging Sunway Group as the sixth ranked on the Hewitt Associates' Top Companies for Leaders 2007 list from Hewitt Associates South East Asia Leader, Alan Parker.

Sunway was the only Malaysian company from a list of more than 500 global organisations assessed to have made it to the rankings.

The Top Companies for Leaders list was selected and ranked by an esteemed panel of judges based on criteria including leadership practices, company reputation, leadership culture and values, and business performance.

**14 MAY 2008**



#### **LETTER OF AWARD FOR RM119.8 MILLION FROM MALAYSIA AIRPORTS HOLDINGS BERHAD**

SunCon accepted the letter of award for a contract worth RM119.8 million from Malaysia Airports Holdings Berhad for the construction of 1-storey aviation component manufacturing factory with 1-storey of office space located in Pusat Aeroangkasa Antarabangsa Malaysia, Lapangan Terbang Sultan Abdul Aziz Shah.

**22 MAY 2008**



#### **ACCA MESRA AWARDS 2007**

Sunway Group is one of the 10 shortlisted companies that was accorded the Malaysia Environmental and Social Reporting Award (MESRA) 2007 by the Association of Chartered Certified Accountants ("ACCA") in the Social Reporting Category out of 60 other major industry players.

The award serves as a testament to Sunway Group's undeviated focus on Corporate Responsibility ("CR") and its steadfast and meticulous approach in CR reporting.

**29 MAY 2008**



#### **GLOBAL EMERGING KNOWLEDGE ORGANISATION (GEKO) AWARD 2008**

Sunway Group bagged 2 Global Emerging Knowledge Organisation (GEKO) awards during the year.

Sunway IT Shared Services Centre was crowned first placing (Joint-Champion) in the Practising Organisation Category while the Group as a whole clinched second position in the Potential Organisation Category.

Organised by JT Frank Academy, the GEKO award is the first and the most prestigious Global Recognition Award for Emerging Knowledge-based Organisations that adopt a structured roadmap to pioneer, sustain and innovate the Practice of Knowledge Management in achieving outstanding performance and competitive advantage.

**27 JUNE 2008**



#### **JOINT VENTURE SIGNING CEREMONY BETWEEN SUNWAY GROUP AND SHANGHAI GUANG HAO**

Sunway Group has teamed up with Shanghai Guang Hao Real Estate Development Co. Ltd ("Shanghai Guang Hao") to develop a RM473 million mixed development project in the high net worth city of Jiangyin, China.

The 6.9 hectares project, which is the Group's first property project in China, will be undertaken by a joint venture company, Jiangyin Guang Hao Real Estate Development Co. Ltd, which is 35% owned by Shanghai Guang Hao and 65% owned by Sunway Real Estate (China) Limited.

The project affords Sunway the opportunity to venture into the property development business in China and gain immediate access to property development experience in China via strategic partnership with Shanghai Guang Hao.

**10 JULY 2008**



#### **ORDER OF AUSTRALIA AWARD**

YBhg Tan Sri Dato' Seri Dr Cheah Fook Ling, the Chancellor of Sunway University College and Founder and Chairman of the Sunway Group was recently appointed as an Officer of the Order of Australia ("AO") by the Prime Minister of Australia, Kevin Rudd.

The AO is one of Australia's most prestigious and highly respected awards conferred to a non-citizen of Australia. It is an order of chivalry established by Queen Elizabeth II for the purpose of according recognition to Australian citizens or other persons, for outstanding achievement or commendable service.

The award is especially distinguished as it is given for service of a high degree to Australia or humanity at large and is usually given to Australian citizens.

## CALENDAR OF SIGNIFICANT EVENTS

14 JULY 2008



### BANDAR SUNWAY TO BE FIRST INTEGRATED WIRELESS TOWNSHIP

Sunway Group and Packet One Networks (M) Sdn Bhd (P1), Malaysia's WiMAX converged Telco, signed a Memorandum of Understanding to enable Bandar Sunway to make history when it becomes the first Integrated Wireless Township in Malaysia, benefiting its 30,000 residents as well as 30 million local and foreign visitors per year.

The project which has been completed provides wireless broadband coverage to Sunway Pyramid Shopping Mall, Sunway Lagoon Theme Park, Monash University Sunway Campus, Sunway University College, Sunway Metro and Sunway Mentari.

29 JULY 2008



### AUSTRALIA TRADING VENTURE SIGNING CEREMONY

Sunway through its wholly-owned subsidiary, Sunway Marketing (S) Pte Ltd has acquired 90% of an Australia-based importer and distributor of industrial rubber and plastic products, Totalrubber Limited ("TR"). Sunway's investment in TR is expected to yield synergistic benefits as the Group will gain entry to the mature Australian hose and fittings market, buying into an established Australian brand.

23 SEPTEMBER 2008



### LETTER OF AWARD FOR AED1.875 BILLION (EQUIVALENT TO APPROXIMATELY RM1.8 BILLION) FROM MUBADALA CAPITALAND REAL ESTATE LLC

A RM1.8 billion contract was awarded to a Joint Venture between Sunway Innopave Sdn Bhd, a subsidiary of SunCon and Silver Coast Construction & Boring LLC for construction works at Rihan Heights in Abu Dhabi, United Arab Emirates. The contract involved the construction of 5 residential towers, a 3-level podium, 14 townhouses, a club house and 1,208 car parking lots. Sunway Innopave Sdn Bhd holds a 60% stake in the Joint Venture.

## AWARDS AND RECOGNITION

“in recognition for excellence”



### GLOBAL EMERGING KNOWLEDGE ORGANISATION (GEKO) AWARD 2008

Sunway IT Shared Services Centre was crowned first placing (Joint-Champion) of GEKO Award 2008 in the Practising Organisation Category. The Group also clinched second position in the Potential Organisation Category in 2008.

The GEKO Award is the first and the most prestigious Global Recognition Award for Emerging Knowledge-based Organisations.

### HEWITT-FORTUNE-RBL TOP COMPANIES FOR LEADERS 2007 – ASIA PACIFIC

The Group garnered sixth placing, the first for any Malaysian company on the Hewitt-Fortune-RBL Top Companies for Leaders 2007 – Asia Pacific.



### MALAYSIA ENVIRONMENTAL AND SOCIAL REPORTING AWARD (MESRA) 2007

The Group was one of the 10 shortlisted companies that was accorded the Malaysia Environmental and Social Reporting Award (MESRA) 2007 by ACCA in the Social Reporting Category out of 60 other major industry players.



### TECHNOLOGY BUSINESS REVIEW ASEAN AWARD 2007

The Founder and Chairman of the Sunway Group, YBhg Tan Sri Dato' Seri Dr Cheah Fook Ling was bestowed the Lifetime Achievement Award under the Property Development, Construction, Education and Humanitarianism category by Technology Business Review.

YBhg Puan Sri Datin Seri (Dr) Susan Cheah received the award on behalf of Tan Sri Cheah.





## performance review

18 Managing Director's Review

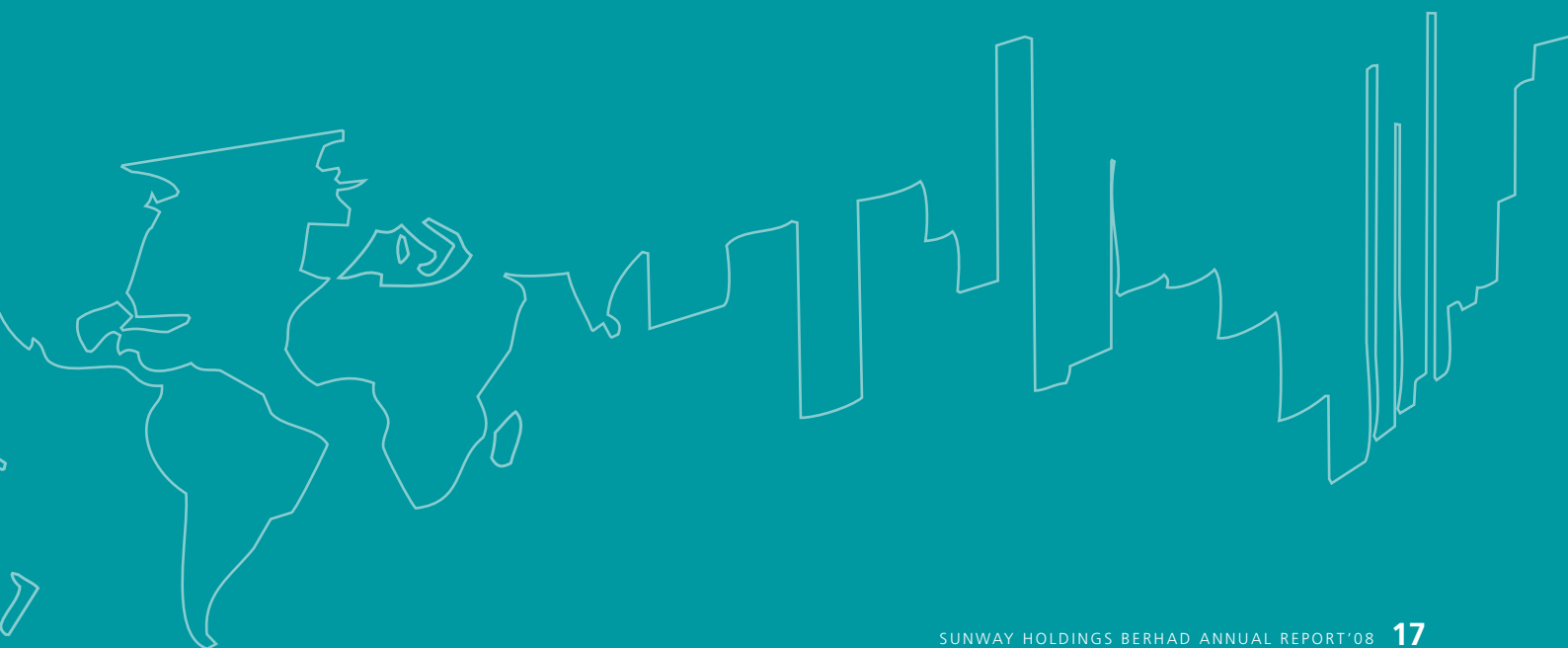
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# MANAGING DIRECTOR'S REVIEW

*The Group's earnings remain sustainable and agile despite tough business conditions. With the record-breaking construction order book of RM4 billion and the quarry's supply contracts, the Group is looking at a resilient growth ahead.*

The Group has continued to pursue its aim of enhancing the long-term shareholders' value during the year under review. Despite the ever-changing and challenging economic climate in the FYE2008, the Group delivered a strong financial performance by leveraging on core competencies, strategic partnerships and geographical footprint.

## **Construction – A Success Story with RM4 billion Outstanding Order Book**

For FYE2008, the Construction Division successfully completed several projects including Phase 2 of the Sunway Pyramid Shopping Mall, Zuellig Distribution Warehouse, Goldhill Services Suite Condominium located at Kuala Lumpur's Golden Triangle and part of the Kuala Lumpur - Putrajaya Highway.

The Division's total outstanding construction order book reached a record level of RM4 billion, of which more than 60% was derived from overseas projects.

The most notable and recent accomplishment was the securing of the RM1.8 billion contract in Abu Dhabi for the proposed Rihan Heights - Arzanah Development construction project. This would significantly enhance the Group's earnings potential.

On the local front, the Construction Division was awarded contracts that include the design and build of the Government Office Buildings at Putrajaya (RM520 million), the construction of the aviation component manufacturing factory in Subang (RM119.8 million), construction of the remaining infrastructure

works in Precinct 11 of Putrajaya (RM110 million) and the sub-contract works for the privatisation of South Klang Valley Expressway (RM264 million).

Amidst global uncertainty and the local government's prudent spending, the construction sector will remain challenging. However, with the RM4 billion outstanding order book on hand, the Group is confident that the sustainability of the Construction Division's contribution will remain intact. The construction margin is expected to improve in view of the gradual reduction in prices of raw materials.

## **Quarry – Doubling Revenue**

The Group is one of the largest quarry market players in the Klang Valley. As a result of the Division's extensive experience and technical know-how, we pride ourselves as one of the most cost-efficient quarry operators. The Quarry Division recorded strong margins during the financial year on the back of a surge of business, expansion of its operations to strategic locations in the country and the supply contracts overseas. The revenue from quarry operations has more than doubled within a year from RM165 million in previous financial year to RM334 million in FYE2008.

With the acquisition of quarries in Melaka and Taiping, Perak in FYE2008, 2 quarries in Vietnam and the new quarry operations in Trinidad and Tobago, the Group now operates a total of 11 quarries. The Division's contribution during the FYE2008 also benefited from its contract to supply 2 million tons of quarry stones to Singapore. The Division's quarry operations in Trinidad and Tobago, which commenced in the first quarter of FYE2009





has a secured contract to supply a minimum of 1 million tons of aggregates per year.

The supply contracts in Singapore and Trinidad and Tobago will continue to form the corner stones for the earnings base of the Quarry Division. The Quarry Division continues to explore acquiring more quarries particularly those in close proximity to high growth areas.

With implementation of strategic business schemes, the Group aspires to emerge as a key regional quarry player with presence in Singapore, Vietnam, Trinidad and Tobago, as well as other countries.

### **Trading and Manufacturing – Trading Moving Upstream and Regional Expansion Down Under**

The Trading and Manufacturing Division's strong brand name and extensive regional network in Malaysia, Singapore, Thailand, Indonesia and China, have earned it a place as a major regional player. In China, in just over a period of 2 years, the Division has successfully established several manufacturing facilities for the production of various industrial products.

In line with the Group's globalisation strategy, the Group entered into strategic joint ventures with reputable partners during the year. This includes the partnership with a company related to the Korean Daechang Group for the manufacturing of machinery parts in Anhui, China. The Group also acquired

a 90% equity interest in an Australian company, Totalrubber Limited, a 29-year established hoses and industrial parts trading and manufacturing group, that is expected to provide the Group with a jump-start in customer base down under and at the same time accord wider range of synergistic benefits in the Group's regional marketing and manufacturing business.

Amidst the global economic uncertainties, the Trading and Manufacturing Division's global expansion strategy will support the target annual robust growth rate of 20% that it has enjoyed over the last 3 years. The selective investments are expected to further strengthen the Division's position in the regional market.

### **Building Materials – A Turn Around and New Earnings Dimension**

The financial results of the Building Materials Division surpassed expectations, improving its contribution to the Group's bottom line during the year. With the main catalyst being the improved operations efficiency and a re-focus in sales strategy, it was clearly a turnaround story for the Group's concrete pipes division, moving from loss-making into having increased growth and profitability.

The Division's spun-pile business, via a venture with Rongyao Investment Development Co. Ltd in Zhuhai, China, is poised to start operations on a large scale. This will increase the Division's building materials' businesses capacity in China in FYE2009.



Artist Impression of the Government Office Building, Putrajaya



Quarry Operations, Malaysia



"SUNFLEX" Hydraulic Hoses



Twinpave at Taman Botanic, Klang

The success in reducing production cost in the Group's pavers and vitrified clay pipes division through process re-engineering; added with the contribution from the Group's new spun-pile operations, the results from this Division is expected to further improve in the next financial year.

### Property Development – Repositioning and the Beginning of Overseas Contributions

This Division made its first overseas foray into Singapore during the FYE2008 when it entered into a 30:70 joint venture with a Singaporean property developer for the Design-Build-Sell Scheme ("DBSS") public housing project for the construction of 3 towers of 40-storey residential units. The project, in the strategic location of Boon Keng, was over-subscribed during its launch in January 2008. Adding to this new earnings dimension, the Group through its 30% owned joint venture, has secured a second DBSS public housing project in Toa Payoh for 5 towers of 40-storey and 46-storey residential units from the Housing and Development Board of Singapore. This project is expected to be launched in the fourth quarter of FYE2009.

The Group also entered into the China property scene via Sunway Real Estate (China) Limited, an alliance with Sunway City Berhad, in the RM473 million 17-acre property project in the central business district of Jiangyin New Harbour City in Jiangyin City of Jiangsu Province. This residential cum commercial project, located in a second tier city about 140 km from Shanghai, has lower risks due to the surging

demand and lower speculative factors. Leveraging on Sunway's strong presence in the China market as well as on Sunway's strong branding, this strategic alliance will provide vast synergistic opportunities for the Group.

In the local market, the Group has repositioned its business direction to focus on areas with emerging demand and high growth in property. The Group will soon launch new projects in Taman Melawati and Sungai Long, both in strategic locations in the Klang Valley. Both these projects target mid-to-high income-earners who are looking for an upgrade to quality homes for a secured living environment and an enhanced lifestyle. In view of the downturn in the property market, the Group will adopt a market driven strategy by only building properties with high take-up rates. The Group looks forward to an enhanced performance from this Division in the next financial year as the Division re-aligns its focus on property projects displaying strong growth.

### Strategic Management – Resilient Growth

Current trends in the world financial market points toward global financial meltdown resulting in the deterioration of financial conditions and increase in risk in businesses. As the Group is determined to actively expand globally, the Group is aware that it needs to be strictly guided by proper investment appraisal processes, predetermined hurdle rates, risk and foreign currency management policies to address these business risks. Despite tough business conditions, the Group's earnings remain



*Singapore Public Housing Project in Boon Keng*



*Signing Ceremony for the acquisition of Totalrubber Limited*

sustainable and agile. The Construction Division, backed by the record-breaking RM4 billion outstanding order book, is cushioned by appropriate cost escalation clauses in construction contracts and rides on the reducing pressure of cost escalation in order to sustain its contribution to the Group. The Quarry Division, having secured sale contracts in Singapore and Trinidad and Tobago, is able to contribute positively to the Group. The Property Development Division, having pre-sold its Boon Keng public housing development in Singapore is also able to secure its earnings contribution to the Group. In addition, all the other segments in which the Group is involved in are enjoying steady growth. The Group also continues with its efforts to dispose of its non-core assets in its de-gearing exercise to enhance the financial discipline in its business.

With the adoption of the 'blue ocean strategy', the Group continues to focus on markets where its strong competitive edge can overwhelm competition thus enhance its earnings potential. Overall, the Group is looking forward to a resilient growth in the near future.

## Our Greatest Pride

The Group recognises that our people are our greatest pride. It is our people, who are the core and pulse of our businesses, which has embedded the Group's firm footing in the market. With this in mind, the Group has established several programmes for the mentoring and development of leadership skills. The Group has also continued leveraging on local talents within the Group for its overseas operations.

These will further develop and sustain the Group's competitive advantage locally and globally, whilst help to build the leaders of tomorrow.

## Moving Forward in the Right Direction

In order to enhance shareholders' value, the Group is ever pro-active and ever-vigilant to ensure that the specific actions and plans are deliberated towards the right direction at an opportune time. The Group's priorities will be to maintain its focus on building the existing businesses for long-term profitable growth while investing in new complementary and synergistic businesses both in the domestic and international front. With attention placed on the execution of its strategies, the Group can expect further enhanced earnings in the near future.

**Yau Kok Seng**  
Managing Director








## 5-YEAR FINANCIAL HIGHLIGHTS

	FYE2008 RM'000	FYE2007 (restated) RM'000	*FPE2006 (restated) RM'000	FYE2004 (restated) RM'000	FYE2003 (restated) RM'000
<b>OPERATING RESULTS</b>					
Revenue	1,825,203	1,896,541	2,057,266	1,497,519	1,390,321
Profit from ordinary activities before taxation	128,522	17,678	28,090	55,849	123,497
Tax expense	(26,305)	(21,510)	(29,604)	1,874	(27,637)
Profit/(Loss) after tax	102,217	(3,832)	(1,514)	57,723	95,860
Minority interests	(2,062)	(5,551)	(10,477)	(18,424)	(22,321)
Net profit/(loss) for the financial year/period	100,155	(9,383)	(11,991)	39,299	73,539
<b>KEY BALANCE SHEET DATA</b>					
Property, plant and equipment	328,511	281,201	265,497	208,760	222,534
Investment properties	3,876	3,876	3,876	3,876	3,876
Rock reserve	1,789	1,810	-	-	-
Prepaid land lease payments	16,427	13,251	-	-	-
Investments in associates and jointly controlled entities	139,746	116,880	52,865	108,567	117,774
Other investments	11,080	1,619	2,232	9,514	11,762
Receivables	11,468	7,757	10,366	38,473	76,708
Land held for property development	68,988	52,757	66,935	70,943	84,572
Goodwill	125,991	116,011	114,100	77,104	-
Deferred tax assets	14,853	15,019	12,600	11,010	6,387
Current assets	1,299,616	1,434,626	1,383,260	1,224,891	1,075,394
<b>Total assets</b>	<b>2,022,345</b>	<b>2,044,807</b>	<b>1,911,731</b>	<b>1,753,138</b>	<b>1,599,007</b>
Current liabilities	906,381	1,296,391	852,339	1,043,668	1,026,119
Non-current borrowings	455,576	93,357	407,964	49,009	51,538
Deferred tax liabilities	15,204	15,427	17,546	15,074	18,622
ABS Senior Notes	-	90,846	89,873	89,805	-
Non-current bonds	-	-	-	-	63,884
<b>Total liabilities</b>	<b>1,377,161</b>	<b>1,496,021</b>	<b>1,367,722</b>	<b>1,197,556</b>	<b>1,160,163</b>
<b>Total net assets</b>	<b>645,184</b>	<b>548,786</b>	<b>544,009</b>	<b>555,582</b>	<b>438,844</b>
Minority interest	46,747	40,053	27,579	17,012	134,653
<b>Shareholders' equity</b>	<b>598,437</b>	<b>508,733</b>	<b>516,430</b>	<b>538,570</b>	<b>304,191</b>
<b>FINANCIAL RATIOS</b>					
Profit from ordinary activities before tax to revenue (%)	7.04	0.93	1.37	3.73	8.88
Basic earnings/(loss) per share (sen)	18.53	(1.74)	(2.22)	8.08	18.11
Dividends (sen)	-	-	-	5.00	-
Market price (RM)	1.16	1.48	0.48	1.39	1.63
Price-earnings ratio (times)	6.26	(85.06)	(21.62)	17.20	9.00
<b>Return on capital employed (ROCE) (%)</b>	<b>23.90</b>	<b>8.76</b>	<b>11.85</b>	<b>14.94</b>	<b>24.02</b>
Gearing ratio (times)	0.95	1.02	0.94	0.85	1.36
Net tangible assets per share (sen)	85.89	72.19	74.45	85.61	74.05
Total assets turnover (no. of times)	0.90	0.93	1.08	0.85	0.87
Share capital ('000)	547,959	541,507	540,367	539,029	410,812

FPE - Financial Period Ended

\* 18 months ended 30 June 2006

## SEGMENTAL PERFORMANCE

Construction	Revenue	Operating Profit	(5 years revenue performance) RM million	(5 years operating profit performance) RM million
	RM <b>961mil</b>	RM <b>17mil</b>	<div>961</div> <div>1,256</div> <div>1,271</div> <div>1,055</div> <div>1,065</div>	<div>17</div> <div>54</div> <div>55</div> <div>70</div> <div>75</div>
Quarry	Revenue	Operating Profit	(5 years revenue performance) RM million	(5 years operating profit performance) RM million
	RM <b>334mil</b>	RM <b>69mil</b>	<div>334</div> <div>165</div> <div>160</div>	<div>69</div> <div>11</div> <div>4</div>
Trading and Manufacturing	Revenue	Operating Profit	(5 years revenue performance) RM million	(5 years operating profit performance) RM million
	RM <b>354mil</b>	RM <b>35mil</b>	<div>354</div> <div>229</div> <div>312</div> <div>194</div> <div>157</div>	<div>35</div> <div>19</div> <div>20</div> <div>9</div> <div>8</div>
Building Materials	Revenue	Operating Profit	(5 years revenue performance) RM million	(5 years operating profit performance) RM million
	RM <b>101mil</b>	RM <b>3mil</b>	<div>101</div> <div>77</div> <div>103</div> <div>88</div> <div>76</div>	<div>3</div> <div>(2)</div> <div>2</div> <div>13</div> <div>12</div>
Property Development	Revenue	Operating Profit	(5 years revenue performance) RM million	(5 years operating profit performance) RM million
	RM <b>48mil</b>	RM <b>15mil</b>	<div>48</div> <div>148</div> <div>189</div> <div>144</div> <div>72</div>	<div>15</div> <div>31</div> <div>44</div> <div>(15)</div> <div>12</div>

■ FYE2008 
 ■ FYE2007<sup>^</sup>
■ FPE2006\* 
 ■ FYE2004 
 ■ FYE2003

<sup>^</sup> Certain segments had been restated to better reflect the nature of the business operations and to conform to the current year's presentation.

\*18 months ended 30 June 2006

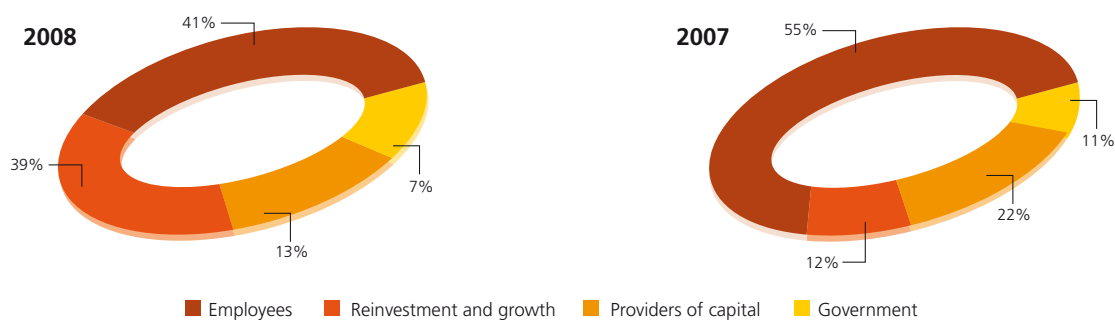
# VALUE ADDED STATEMENT

	FYE2008 RM'000	FYE2007 RM'000
<b>Value Added</b>		
Total revenue	1,825,203	1,896,541
Purchases of goods and services	(1,478,234)	(1,647,127)
<b>Value Added by the Group</b>	346,969	249,414
Share of profits/(losses) of associates	10,625	(7,864)
Share of profits/(losses) of jointly controlled entities	9,974	(1)
<b>Total Value Added</b>	367,568	241,549
Reconciliation:		
Profit/(Loss) for the year	100,155	(9,383)
Add: Depreciation and amortisation	42,453	38,706
Finance costs	46,658	46,440
Staff costs	149,580	134,067
Taxation	26,660	26,168
Minority interests	2,062	5,551
<b>Total Value Added</b>	367,568	241,549

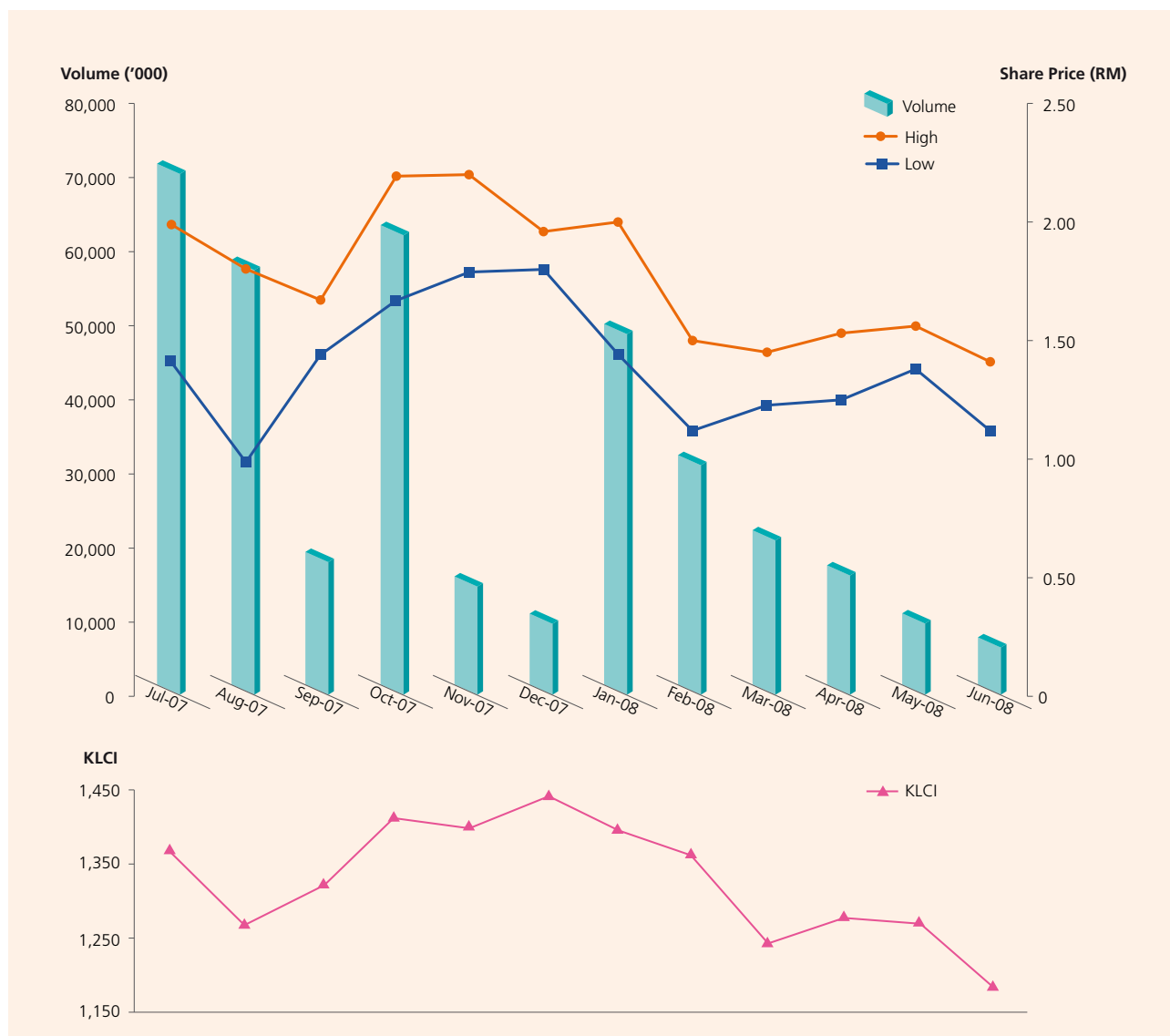
## Value Distributed

Employees		
Salaries and other staff costs	149,580	134,067
Government		
Corporate taxation	26,660	26,168
Providers of capital		
Finance costs	46,658	46,440
Minority interests	2,062	5,551
Reinvestment and growth		
Depreciation and amortisation	42,453	38,706
Income retained by the Group	100,155	(9,383)
<b>Total Distributed</b>	367,568	241,549

## Value Distributed



# SHARE PERFORMANCE



	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08
High (RM)	1.99	1.80	1.67	2.20	2.20	1.96	2.00	1.50	1.45	1.53	1.56	1.41
Low (RM)	1.41	0.99	1.44	1.67	1.79	1.80	1.44	1.12	1.23	1.25	1.38	1.12
Volume ('000)	71,680	58,600	19,340	63,260	15,980	10,950	50,090	32,620	22,850	18,220	11,530	8,190
KLCI*	1,374	1,274	1,336	1,414	1,397	1,445	1,393	1,357	1,248	1,280	1,276	1,187

\* Kuala Lumpur Composite Index



# FINANCE DIRECTOR'S REVIEW

*The resilient and strong financial fundamentals with its well diversified portfolio of businesses will further elevate the Group's achievement in the coming year.*

Sunway triumphed with many financial successes during FYE2008 with higher profit contributions from all of the Group's core businesses. The Group has continued with its journey in fortifying its position as a global conglomerate by investing capital in its core businesses locally and internationally to generate long-term and sustainable growth.

turnaround could be seen in the Group's profitability during FYE2008 with the solid achievement of RM137 million profit from operations. Even after removing the effect of SunInfra in FYE2007, the Group saw a spectacular double-digit growth of 82% in its profit after taxation and minority interests.

The staggering growth was largely driven by increased margins and enhanced earnings base in the Quarry Division as well as the Trading and Manufacturing Division of the Group.

## FINANCIAL OVERVIEW

### Generating Solid Results

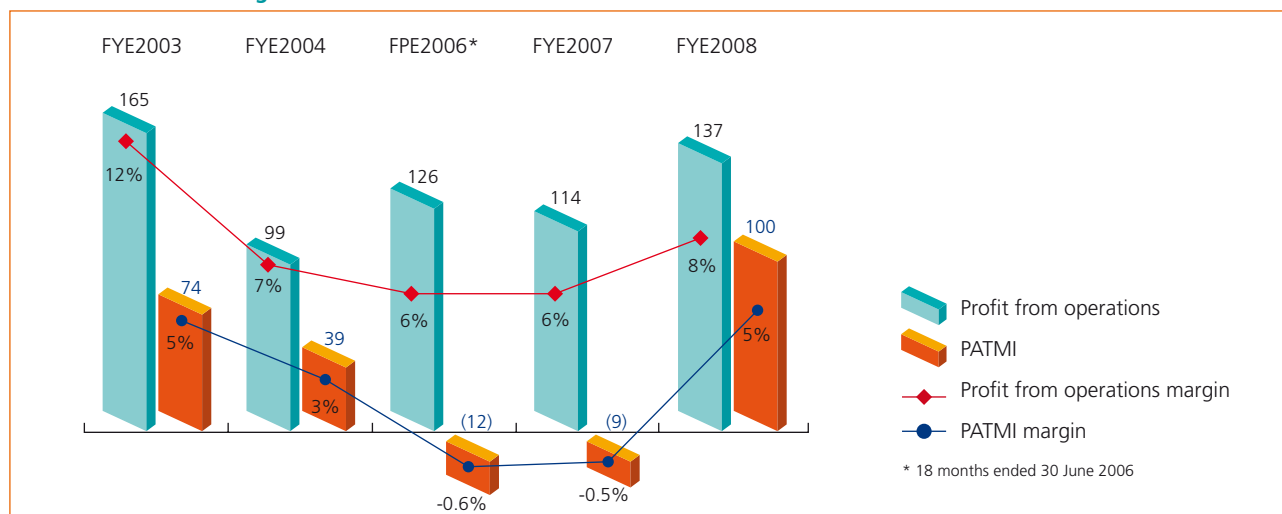
The Group was able to maintain its revenue at the RM1.8 billion level amidst market volatility and economic malaise. A significant

Consolidated Income Statement	FYE2008 RM million	FYE2007 RM million	Increase / (Decrease)
Revenue	1,825	1,897	(4%)
Profit from operations	137	114	20%
Profit before taxation	129	18	617%
Profit/(Loss) after taxation and minority interests ("PATMI")	100	(9)	1,211%
Profit from operations margin	8%	6%	33%
Profit before taxation margin	7%	1%	600%
PATMI margin	5%	(1%)	600%
Basic earnings/(loss) per share (sen)	18.53	(1.74)	1,165%

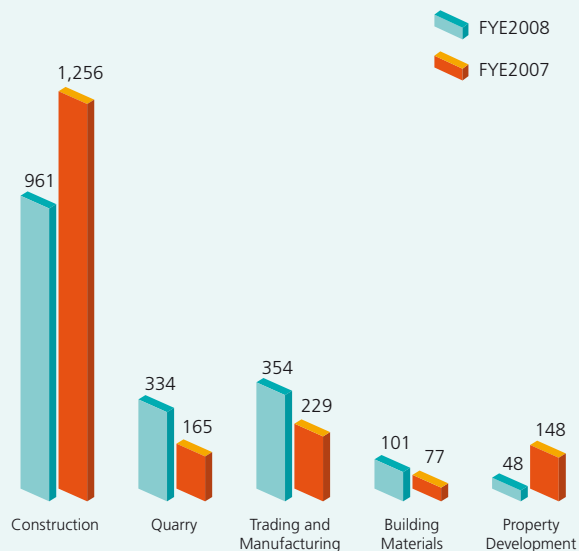


Adjusted PATMI Growth	FYE2008 RM million	FYE2007 RM million	Increase / (Decrease)
PATMI	100	(9)	1,211%
Effect of SunInfra	0	(64)	(100%)
Adjusted PATMI	100	55	82%
Adjusted PATMI margin	5%	3%	67%

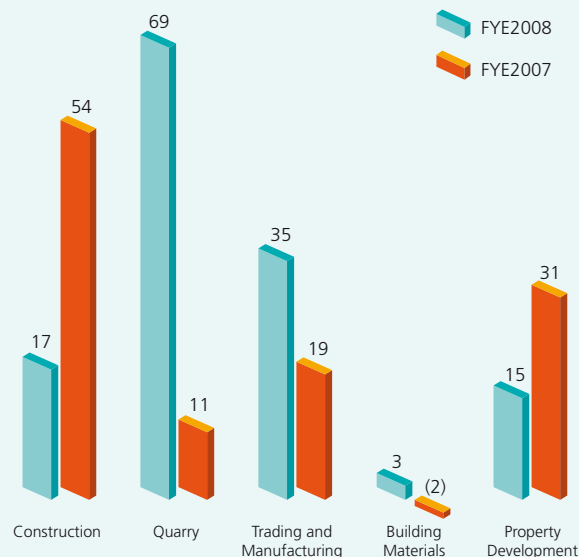
#### 5-Year Profit and Margin Trend



## Segmental Revenue



## Segmental Profit from Operations



## SEGMENTAL REVIEW

Segments	Profit* contribution	
	FYE2008	FYE2007
Construction	12%	48%
Quarry	50%	10%
Trading and Manufacturing	26%	16%
Building Materials	2%	(1%)
Property Development	11%	28%
Others	(1%)	(1%)
	100%	100%

\* Profit from Operations

## Strong Construction Order Book

The Construction Division, being one of the core contributors to the Group's results, reported lower revenue in FYE2008 as a result of completion of most of its domestic construction projects during the last corresponding financial year. With the weakening of the country's construction sector and cost inflationary pressures, profit from operations was down from RM54 million in FYE2007 to RM17 million in FYE2008. However, with its sizable order book of RM4 billion and equipped with adequate cost escalation provisions, the Division is expected to generate healthier margins in the coming financial year.

## Return of the Leader

The Quarry Division, being the second largest market player in the Klang Valley, has progressed to being the largest contributor to the Group's operating profits by generating a revenue of RM334 million, a two-fold increase from the previous year's performance. The increasingly rapid expansion of quarries in Malaysia, together with the export contract of stones to the

buoyant Singapore construction sector, the Division's profit from operations reached an impressive RM69 million in FYE2008. The prospect of this Division is further enhanced with another contract of stones supply of 1 million tons per annum to the Government of Trinidad and Tobago.

## Trading up the Stars

The Trading and Manufacturing arm's profit from operations surged by 84% from the previous financial year to RM35 million on the back of revenue amounting to RM354 million. The outstanding performance is largely powered by the torrid growth registered by all its respective divisions underpinned by the booming quarry, oil and gas, and marine sectors and the multilateral overseas market penetration strategy adopted by the Group. This Division is expanding to explore the manufacturing business, especially overseas for example to China and Australia, that would complement and propel the growth of the existing trading business.

## Paving the Way

The Group's Building Materials Division recorded a turnaround in its financial results from a loss from operations of RM2 million to a profit from operations of RM3 million. The re-focus of sales strategy in the concrete pipes division contributed to higher selling price and margin for the Division. With continued focus on improving production efficiency and increasing its sales volume thereby achieving its economies of scale, this Division is expected to further contribute positively to the Group's results.

## Regional Property Market Expansion

The Property Development Division recorded lower revenue during the financial year under review due to completion of a majority of its projects during FYE2007. The Division's reduction in profit from operations was mainly as a result of the gains from disposal of one of its properties under the Asset-backed Securitisation scheme (Plaza Masalam) realised during the previous financial year. With the Group's maiden foray into the

Consolidated Cash Flow Statement	FYE2008 RM million	FYE2007 RM million	Increase / (Decrease)
Cash from operations	205	131	56%
Taxation (net)	(39)	(24)	63%
Interests received	4	2	100%
Net cash flow from operating activities	170	109	56%
Net cash flow from investing activities	(156)	(107)	46%
Net cash flow from financing activities	(54)	(18)	200%
Decrease in cash and cash equivalents	(40)	(16)	150%
Closing balance	117	158	(26%)

Singapore market i.e. the Housing and Development Board's Boon Keng project, the financial position of this Division will be a strong contributor to the Group's results in FYE2009. The prospect of the Division is set to be further enhanced by its second Singapore public housing project in Toa Payoh, China Jiangyin project and its upcoming domestic launches.

## FINANCIAL MANAGEMENT AND FINANCIAL DISCIPLINE

The Group generated net cash flow from operating activities of RM170 million in FYE2008 which was channeled towards the Group's investing and financing activities. The net cash outflow from investing activities was mainly attributable to the capital expenditure incurred for the expansion to China as well as the settlement of the Group's financial liability in relation to SunInfra. The Group had also made several acquisitions of companies during the year, mainly in the Quarry Division and in China, in line with our growth strategies. The net cash outflow from financing activities during the year was a consequence of redemption of the Asset-backed Securitisation Notes and our active repurchase of shares.

Despite all of the above, the Group's net gearing ratio remains at 0.95 times shareholders' fund. The Group continues with its de-gearing efforts by divesting its non-core assets, with the establishment of a special team to manage the disposal of these assets enabling the Group to unlock value for the generation of future growth. Nevertheless, all borrowings have taken into account the nature of the investments and the ability to meet the Group's financial commitments as they fall due. This ensures sufficient liquidity which is consistent with the Group's financial policies.

Several initiatives have been rolled out with the aim of further enhancing the financial discipline of the Group. Stringent policies on investment appraisals have been implemented where the Group will be guided by hurdle rates and risk rating for all its investments. Whilst ensuring that global skills are attained in treasury management, the Group has also established policies and guidelines on foreign currencies to address the risk of both foreign currency exposure and the volatility of commodity prices.

## CORPORATE INITIATIVES

On the corporate front, the Group resolved its long standing problem with the completion of the divestment of its 36% owned associate company, SunInfra. This allowed the Group to extract its full profits from the Group's core businesses during FYE2008.

The Group also recently announced a proposal for the Rights and Restricted Issue of Warrants which would be able to provide new capital in the future when the warrants are exercised at a premium to the current market price of the Sunway shares.

## OUTLOOK

While the Group makes concerted efforts toward achieving continued earnings growth and maximisation of long-term shareholders' value, the Group, at the same time, takes cognisance of its susceptibility to a highly uncertain economic situation that has led to weaker markets worldwide. Such volatile environment requires a higher level of financial discipline to ensure that the Group's resources are channeled towards areas that generate good returns while being supported by appropriate risk management.

The economic turbulence will continue to pose tremendous challenges on the business environment. However, with the resilient and strong financial fundamentals coupled with the well-diversified and balanced portfolio of its businesses, the Group is confident to further elevate its achievement in the coming year.



**Koong Wai Seng**  
Finance Director





## *exemplary leadership*

**32** Profile of Board of Directors

**37** Profile of Senior Management



## PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATO' SERI DR CHEAH FOOK LING, AO**  
Executive Chairman,  
Non-Independent Executive Director  
Malaysian

Founder of the Sunway Group and also the Executive Chairman of Sunway City Berhad ("SunCity") which is listed on the Main Board of Bursa Malaysia Securities Berhad.

Aged 63 and a Certified Practising Accountant by profession, he was appointed a Board Member of Financial Reporting Foundation by the Minister of Finance in July 1997. Sits on the Board of The National Kidney Foundation and the Board of Trustees of Malaysian Liver Foundation. In 1995, appointed a Member of Malaysian Business Council and in 1996, was honoured with the Chairmanship of Malaysian Industry-Government Group for High Technology (MIGHT) for Construction and Housing, besides the accolade of Property Man of the Year (Malaysia) in 1993 and CEO of the Year (Malaysia) in 1996. The Minister of Tourism Malaysia appointed him an EXCO Member to Malaysian Tourism Action Council. In recognition of his outstanding contribution to education, the Minister of Education appointed him to the Higher Education Council in 1998.

Was conferred Honorary Doctorates by 8 leading universities worldwide and in September 2006, was appointed as the Foundation Chancellor of Sunway University College by His Royal Highness Sultan of Selangor. In 2008, was conferred the Officer of the Order of Australia Award by the Prime Minister of Australia. In recognition of his meritorious contribution to Corporate Responsibility in the field of social safety and security, the Minister of Unity, Culture, Arts & Heritage appointed him as the Chairman of Malaysia Crime Prevention Foundation, Selangor in August 2008.

Appointed to the Board of Sunway on 29 December 1979 and also serves as Chairman of the Management and Employees' Share Option Scheme Committees as well as a Member of the Remuneration Committee.

Current directorship in other public company includes SunCity.

Attended 6 out of the 8 Board Meetings held in the financial year.





**DATO' CHEW CHEE KIN**  
President,  
Non-Independent Executive Director  
Malaysian



**YAU KOK SENG**  
Managing Director,  
Non-Independent Executive Director  
Malaysian

Aged 62 and graduated with a Bachelor of Economics (Honours) Degree from University of Malaya. Attended the Program in Management Development (PMD) at the Harvard Business School in 1980.

Joined Sunway Group in 1981 as Group General Manager (Operations) and was promoted to Deputy Group Managing Director (Operations) in 1989. In 1995, was promoted to Group Managing Director and to Group President in 1999. Prior to joining Sunway, was the General Manager of UMW (Malaya) Sdn Bhd where he had first joined as a Trainee Executive. Has more than 20 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Appointed to the Board of Sunway on 14 July 1983 and also serves as Chairman of the Strategic Direction Committee as well as a Member of the Management and Employees' Share Option Scheme Committees.

Current directorship in other public company includes Gopeng Berhad.

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

Aged 48 and a Chartered Accountant with more than 25 years of experience in auditing, corporate finance and general management. Was with Ernst & Young, Kuala Lumpur and London offices from 1980 to 1992.

Joined Sunway Group as Head of Corporate Finance in 1992 and was subsequently promoted as Group Finance Director in 1995. In April 2001, was promoted as Managing Director of Sunway.

Appointed to the Board of Sunway on 1 September 1995 and also serves as Chairman of the Risk Management Committee as well as a Member of the Management, Employees' Share Option Scheme and Strategic Direction Committees.

Current directorships in other public companies include Gopeng Berhad and Federation of Public Listed Companies Berhad where he serves as an EXCO Member.

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

## PROFILE OF BOARD OF DIRECTORS



**KOONG WAI SENG**  
Finance Director,  
Non-Independent Executive Director  
Malaysian



**DATO' TAN KIA LOKE**  
Non-Independent Non-Executive Director  
Malaysian

Aged 41 and holds a Bachelor of Accountancy (Honours) Degree from University of Malaya. A Certified Accountant of Malaysian Institute of Certified Public Accountants and a Member of Malaysian Institute of Accountants. Has 15 years of financial management experience in a variety of industries including audit, financial advisory, leisure, hospitality, healthcare, property development and property investment.

Before joining SunCity Group, he was the Audit Senior cum Enterprise Group Consultant in Arthur Anderson. Joined SunCity Group in 1995 and was subsequently promoted to Chief Financial Officer in SunCity before attaining his current role as Finance Director of Sunway.

Appointed to the Board of Sunway on 15 April 2008 and also serves as a Member of the Management, Risk Management and Strategic Direction Committees.

Has no directorships in other public companies.

Attended all of the 3 Board Meetings held in the financial year since his appointment.

Aged 58 and attained a Bachelor of Science (Honours) Degree in Civil Engineering from University of Strathclyde, United Kingdom in 1977. A Registered Professional Engineer with the Board of Engineers, Malaysia, a Fellow of the Institute of Engineers, Malaysia and Honorary Advisor of the Master Builders Association of Malaysia (MBAM). Was awarded CEO of the Year 2006 by The Malaysian Construction Industry Excellence Awards.

Joined Sunway Construction Sdn Bhd in 1981 as Project Manager to spearhead the formation of the construction arm within the Sunway Group and has now more than 28 years' experience in the construction industry.

Appointed to the Board of Sunway on 15 February 1993 and also serves as a Member of the Management, Employees' Share Option Scheme and Strategic Direction Committees.

Current directorship in other public company includes Malaysian South-South Corporation Berhad.

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



**KWAN FOH KWAI**  
Non-Independent Non-Executive Director  
Malaysian



**WONG CHIN MUN**  
Senior Independent Non-Executive Director  
Malaysian

Aged 56 and holds a Bachelor of Engineering (Civil) (Honours) Degree from University of Malaya in 1977. Is the Deputy President of the Master Builders Association of Malaysia (MBAM) for 2008-2010.

Began his career as a contract engineer in 1977 with the Department of Public Works, Ministry of Works for 3 years and was attached to the East-West Highway project. He then moved to Promet Construction Sdn Bhd as a Site Manager. Following this, he joined Alam Baru Sdn Bhd, a Class "A" Contractor as General Manager. Joined Taisei Corporation of Japan in 1986 and his last position was General Manager of Taisei (Malaysia) Sdn Bhd.

On 1 October 1996, joined Sunway Construction Berhad as an Executive Director. In June 2001, was promoted to Managing Director of Sunway Construction Berhad, which has now been delisted from Bursa Malaysia Securities Berhad and converted to a private limited company.

Appointed to the Board of Sunway on 8 January 2004 and also serves as a Member of the Risk Management and Strategic Direction Committees.

Has no directorships in other public companies.

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

Aged 64 and graduated with Bachelor of Business (Accounting) Degree and Bachelor of Business (Secretarial Administration) Degree from Curtin University, Australia in 1972. A Fellow of the Australian Society of Certified Practising Accountants and Chartered Secretaries and Administrators (UK). Also a Member of Malaysian Institute of Accountants. Attended the Senior Executives Program at International Management Imede Development (IMD) at Lausanne, Switzerland in 1982. Also attended JUSE International Program for TQC for Top Management in Tokyo by Japanese Union of Scientists and Engineers in 1993.

Joined Nylex (Malaysia) Berhad ("Nylex") as the Financial Controller/Company Secretary in January 1976 and became the first local General Manager/Director of Nylex in 1980. Was promoted to the position of Managing Director in 1985 and left Nylex at the end of June 1994 to found TEC Asia Centre, an international organisation which aims to help Chief Executive Officers manage change and grow their businesses. Had served on the Board of Trustees of the Malaysian Rubber Export Promotion Council from 2000 to 2002. Currently, a Member of the National Branding Taskforce appointed by the Ministry of International Trade and Industry in November 2006.

Appointed to the Board of Sunway on 8 September 1994 and also serves as Chairman of the Audit, Nomination and Remuneration Committees. Appointed as the Senior Independent Non-Executive Director on 6 August 2001.

Has no directorships in other public companies.

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

## PROFILE OF BOARD OF DIRECTORS



**DATUK LOW SENG KUAN**  
Independent Non-Executive Director  
Malaysian



**DATUK ABDUL MALEK BIN ABDUL AZIZ**  
Independent Non-Executive Director  
Malaysian

Aged 61 and a Chartered Accountant by profession. A Member of the professional accountants' organisation, Malaysian Institute of Accountants and has more than 30 years' experience in the manufacturing industry. Graduated from Footscray Institute of Technology (Victoria University) in Business Studies (Accountancy) and Royal Melbourne Institute of Technology (RMIT) in Industrial Accountancy.

Currently, the Managing Director of Malaysian Sheet Glass Sdn Bhd. Serves on the Board of a number of private and government-linked corporations. Former President of Federation of Malaysian Manufacturers (FMM) and is currently the Vice-President. Under the FMM, he is the Chairman of TradeNex.com (involving in information communication technology) and FMM Institute of Manufacturing (involving in the training and education). Also a Member of National Economic Action Council (NEAC), National Economic Consultative Council II (NECC II) and Malaysian Industrial Development Authority (MIDA).

Appointed to the Board of Sunway on 12 April 2001 and also serves as a Member of the Audit, Nomination and Remuneration Committees.

Current directorships in other public companies include Pos Malaysia Berhad and Logos Institute Berhad.

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

Aged 71 and graduated with a LLB (Honours) Degree from University of Singapore. Retired as a Superscale "A" Senior Deputy Secretary-General in the Prime Minister's Department in the year 1991 and had recently retired as the Chairman of Konsortium ABASS Sdn Bhd.

Appointed to the Board of Sunway on 13 March 2006 and also serves as a Member of the Audit and Nomination Committees.

Current directorship in other public company includes NCB Holdings 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 Sunway.

#### 2. Conflict of Interest

(a) Tan Sri Dato' Seri Dr Cheah Fook Ling is a Director and Major Shareholder of SunCity Group, whose principal activity is property development. He has deemed interest in SunwayMas Sdn Bhd and its subsidiaries via Sunway, which are involved in the similar business as SunCity Group.

(b) Dato' Chew Chee Kin is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, a 60% owned subsidiary of Sunway, whose principal activities are investment holding and provision of management services.

(c) Yau Kok Seng is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, a 60% owned subsidiary of Sunway, whose principal activities are investment holding and provision of management services.

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

#### 3. Conviction for Offences

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

#### 4. Attendance of Board Meetings

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

# PROFILE OF SENIOR MANAGEMENT

## HENRY YUEN KAM WAH

### Personal Assistant to Executive Chairman

*Certified Accountant, MIA, CPA, MICPA and FCPA*

Mr Henry Yuen is the Personal Assistant to the Executive Chairman of Sunway Group and is an Accountant by profession. He has more than 41 years of management experience and was formerly a Group Finance Director of a public listed company. He is a member of the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Certificate Public Accountants (MICPA) and the Fellow Certified Practising Accountants of Australia (FCPA).

## LARRY YAP CHIN LEONG

### Executive Director – Shared Services Centre and Group Human Resources

*Bachelor of Science in Mechanical Engineering,  
University of Leeds  
Masters in Management, Imperial College, London*

Mr Larry Yap has more than 20 years of experience with the Group covering the areas of Corporate Planning, Finance, Information Technology and Human Resources. Prior to his current position, he was the Profit Centre Manager for the concrete, quarry and piling businesses of the Group. During his tenure, he also served as Chairman of the National Ready-mixed Concrete Association of Malaysia and Sun-Mix Concrete Sdn Bhd, which became the first in the ready-mixed industry to obtain ISO 9002 certification. His vast experience enabled him to lead a strategic Human Resources function for the Sunway Group, which recently earned 6th place for the Asia Pacific Region Top Companies for Leaders 2007 global survey (conducted by Hewitt Associates in collaboration with Fortune magazine and RBL Group).

## TEH QUEN CHANG

### Executive Director – Sunway Quarry Industries Sdn Bhd

*Bachelor of Science in Agribusiness, UPM  
Masters in Business Administration, University of Bath, UK*

Mr Teh Quen Chang has more than 20 years of experience in the quarrying industry. Prior to this, he was the Senior General Manager (Central Region) for Sunway Pioneer Quarry Group and was in charge of 5 quarries and 7 asphalt manufacturing plants with annual sales turnover of over RM150 million. He first joined Sungei Way Quarry Industries Sdn Bhd in 1990 as the Marketing Manager and last served as General Manager (Operations), taking charge of 8 quarries and 9 asphalt manufacturing plants in the Central and Northern Region of Peninsular Malaysia before the Group divested its quarrying operations to Pioneer International Limited in 1999. He is also currently the Deputy President of the Malaysia Quarry Association.

## WONG FOOK CHAI

### Executive Director – Trading and Manufacturing Division

*Bachelor of Engineering (Honours), University of Malaya*

Having more than 25 years of service with the Sunway Group, Mr Wong Fook Chai started his career in UMW, a major distributor of heavy equipment in Malaysia. In 1983, he joined Hong Leong Industries Berhad and later the Sunway Group as a Product Manager in Sunway Enterprise (1988) Sdn Bhd. In 1985, he was re-assigned to the newly formed subsidiary Sunway Marketing Sdn Bhd (then known as Kanto Trading Sdn Bhd). He was promoted to General Manager in 1990 and assumed the responsibility of the management of Sunway Marketing (S) Pte Ltd. He was instrumental in expanding the business to many overseas countries. In 1991, his scope was extended to take charge of a newly acquired company, Sunway Hydraulic Industries Sdn Bhd, a company involved in the manufacturing of hydraulic couplings. He was promoted to Senior General Manager in 1997, assuming greater responsibilities as Head of the Sunway Trading Group of Companies, before attaining his current position in 2004.

## DANNY NG BOON LIANG

### Executive Director - Building Materials Division

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

Mr Danny Ng has over 20 years of working experience, including 17 years in quarry operations and road construction for the Quarry Division of the Sunway Group. He currently also oversees the interlocking concrete pavers operations in Shanghai and Dongguan, China. Prior to this appointment, he was the Senior General Manager of the Sales and Marketing Division of Sunway Building Technology Berhad Group of Companies. He was also the Senior General Manager of the Southern Region of Sunway Pioneer Quarry Sdn Bhd and Pioneer Sun-Mix Concrete Sdn Bhd, a former joint-venture company of the Sunway Group.

## ANDY KHOO POH CHYE

### Executive Director - SunwayMas Sdn Bhd

*Masters in Business Administration (Marketing),  
Heriot-Watt University, Edinburgh, Scotland*

Mr Andy Khoo joined SunwayMas Sdn Bhd as its Executive Director in October 2007. His 17 years of professional experience includes a 7-year stint at the Malaysia's National Asset Management Agency (Danaharta). He was also the Managing Director for the Tower REIT, a real estate investment trust listed on Bursa Malaysia, managed by the Hong Leong Group, Malaysia. His experience includes various aspects of property development including product planning, project feasibility, marketing and sales, real estate value enhancement and investment in commercial properties.





## core solutions

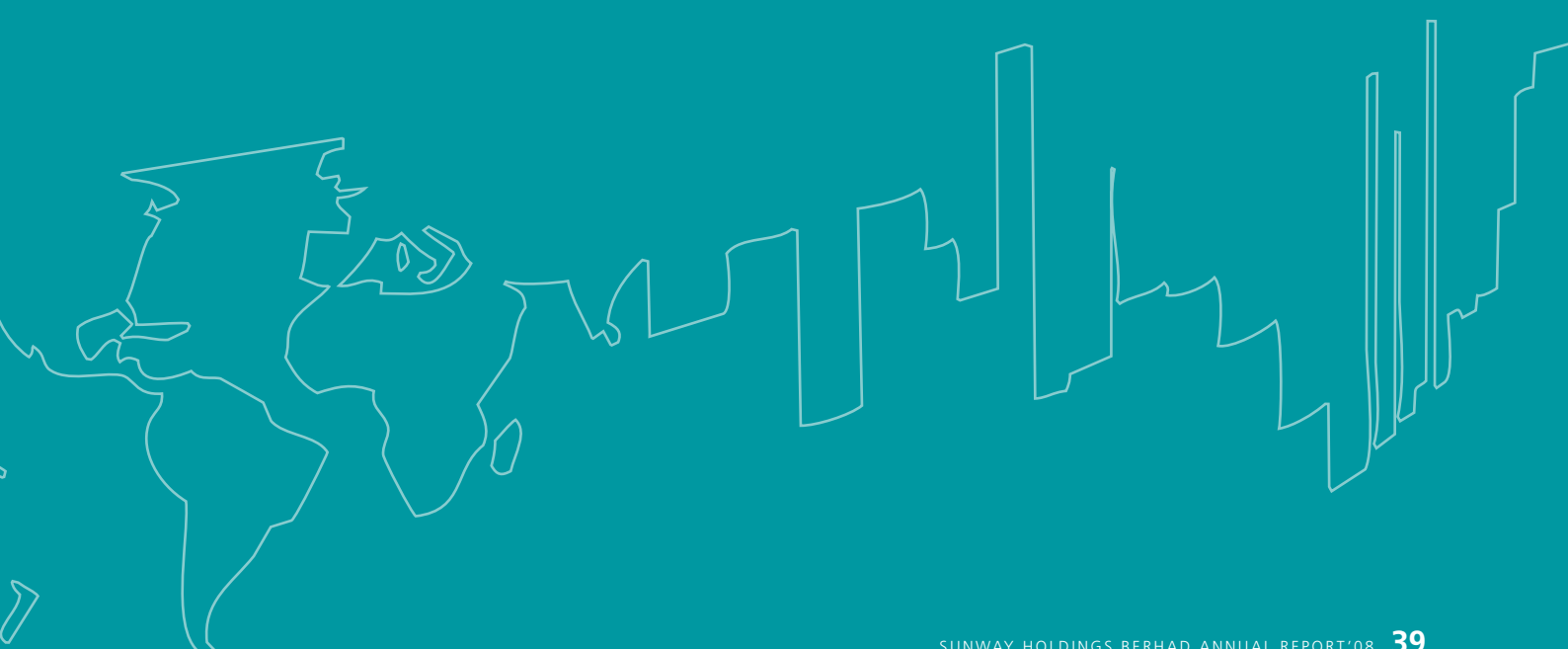
40 Construction

42 Quarry

44 Trading and Manufacturing

46 Building Materials

48 Property Development



## CONSTRUCTION

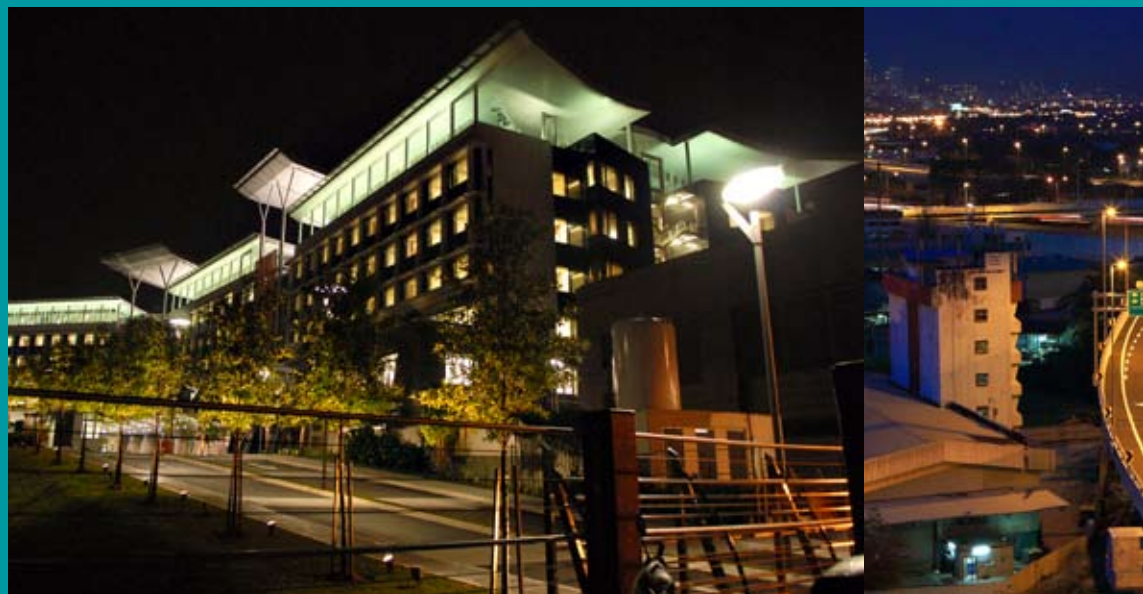
*Sunway's Construction Division is set to meet the growth targets for the year and more importantly, to secure the foundations for continued growth.*

Revenue

RM **961 mil**

Operating Profit

RM **17 mil**



Prince Court Medical Centre



Sunway's Construction Division is an integrated solution provider in the construction industry which offers turnkey, design and build capabilities with award-winning recognition in the fields of building construction, civil engineering, infrastructure, mechanical and electrical engineering, machinery and site equipment rental, precast, foundation and piling, and stone materials.

Building on established market presence globally as well as its niche in the design and build sector, the Construction Division is set to meet the growth targets for the year and more importantly, to secure the foundations for continued growth.

## KEY MILESTONE:

### Successful completion of several projects including:-

- > Retaining earthworks, retaining walls and ancillary works at Gombak for Angel Wing (M) Sdn Bhd (RM31 million)
- > Skyramp, 4 lanes of direct ingress to Sunway Pyramid Shopping Mall from the New Pantai Expressway (RM34 million)
- > Phase 2 of Sunway Pyramid Shopping Mall (RM424 million)
- > Zuellig Distribution Warehouse (RM55 million)
- > Kuala Lumpur-Putrajaya Highway - Package 3 (RM165 million)
- > Goldhill Services Suite Condominium – 176 units service apartments located at Kuala Lumpur's Golden Triangle (RM56 million)

### Expansion of order book with the award of the following contracts:-

- > Design, construction and completion of 2 government office buildings in Putrajaya which consists of a 38-storey building with a 4-storey basement car park and a 39-storey building with a 3-storey basement car park (RM520 million)
- > Construction and completion of the remaining infrastructure works in Precinct 11, Putrajaya (RM110 million)
- > Construction and completion of the privatisation of South Klang Valley Expressway, Section 1B (RM264 million)
- > Construction of 1-storey aviation component manufacturing factory with 1-storey of office space located in Pusat Aeroangkasa Antarabangsa Malaysia, Lapangan Terbang Sultan Abdul Aziz Shah (RM119.8 million)
- > Construction works at Rihan Heights in Abu Dhabi, United Arab Emirates which consist of 5 residential towers, a 3-level podium, 14 townhouses, a club house and 1,208 car park lots (RM1.8 billion)

## GROWTH DRIVERS:

- > To continuously devise effective strategies to establish its global presence by building its reputation in the global construction market
- > Moving up the value chain to deliver innovative value-added solutions to high-end residential, commercial and infrastructure developments



Kuala Lumpur - Putrajaya Highway



Artist Impression of Rihan Heights - Arzanah Development construction project in Abu Dhabi

## QUARRY

*Sunway's Quarry Division is one of the leading producers and suppliers of crushed rock aggregates and asphalts in the country.*

Revenue

RM **334 mil**

Operating Profit

RM **69 mil**



*Local and foreign quarry operations*



Sunway's Quarry Division is one of the leading producers and suppliers of crushed rock aggregates and asphalts in the country.

The Division provides a comprehensive range of aggregates to meet demands of building and construction industries as well as manufactures a vast range of Asphalts.

In Vietnam, our Quarry Division is the premier supplier of ready-mixed concrete and quarry products. The Vietnam quarry supplies high quality basalt aggregates suitable for all strengths of concrete and all components of road construction; whilst the ready-mixed division supplies to commercial building sites through the strategically located batching plants.

The Division's extensive experience in the industry combined with its strategically located quarries in Malaysia and Vietnam as well as a quarry operation in Trinidad and Tobago, gives Sunway an edge over its competitors.

### KEY MILESTONE:

- > Entered into a Quarry Agreement with National Quarries Company Limited (a company owned by the Government of Trinidad and Tobago) and establishment of a new crushing plant for the purpose of producing quarry products for government projects in Trinidad and Tobago

- > New acquisition of quarries in Melaka and Taiping, Perak
- > Installation of asphalt manufacturing plants in Kuala Kangsar, Perak and Paka, Terengganu
- > To continue with exporting of quarry stones to the Singapore construction sector

### GROWTH DRIVERS:

- > Expansion of quarry operations to strategic locations, along potential development corridors, within the country to provide a comprehensive network to serve its customers better
- > Continuous and aggressive process re-engineering towards reduction of cost of production



## TRADING AND MANUFACTURING

*Sunway's Trading and Manufacturing Division has a growing customer base in over 36 countries.*

Revenue

RM **354 mil**

Operating Profit

RM **35 mil**



*Hydraulic Fittings and Couplings*

Sunway's Trading and Manufacturing Division provides world-class products and services which comprise hoses and fittings, heavy equipment, heavy equipment parts, building materials and pharmaceutical products.

Supported by our vast distribution points which are strategically located throughout the ASEAN countries and China, the Division is constantly pursuing market leadership. The Division has a growing customer base in over 36 countries and is driven to provide the best value product from the best manufacturer through global sourcing.

The Division has established strong brand recognition through its own brand "SUNFLEX" for hoses and fittings, and "SUNTRAK" for heavy equipment parts. It also distributes global brand names such as TREK and FP Diesel for heavy equipment parts as well as Furukawa, Airman and SANY for heavy equipment.

### KEY MILESTONE:

- > Acquisition of 90% equity stake in Totalrubber Limited, an Australia-based importer and distributor of industrial rubber and plastic products
- > Set up of Sunway Daechang Forging (Anhui) Co. Ltd in China, a joint venture with DCF Trek Co. Ltd of Korea to manufacture track link and track group assembly

- > Acquisition of 60% equity stake in Sun Pharmaceutical Sdn Bhd, a company with the business of distributing pharmaceutical products
- > Opened 3 new branches, namely in Lahad Datu, Sabah; Samarinda, Indonesia and Pisanulok, Thailand
- > New agency line for heavy equipment products from Utiform (Screed pump), Patrogen (Oxy-gasoline porch cutter) and Won Jin (Concrete distributor)
- > New range of products from Klaw (UK) breakaway coupling, Weco Union (American Block) and Norma Hose Clamp

### GROWTH DRIVERS:

- > Focus on going upstream into manufacturing of related products of which the Division has expertise in marketing
- > To continuously and actively source for 'star' products, giving the Division a competitive advantage
- > Leveraging on 25 distribution points in West Malaysia, East Malaysia, Indonesia, Thailand, Singapore and China
- > Going regional with the present range of products by building an extensive network of branches and customer base



"SUNFLEX" Hydraulic Hoses



Furukawa Crawler Drill

## BUILDING MATERIALS

*Sunway's Building Materials Division is a leading building materials manufacturer and a regional market player in the Asia Pacific.*

Revenue

RM **101 mil**

Operating Profit

RM **3 mil**



Florana (Eurotiles) in Darwin, Australia





Sunway's Building Materials Division is a leading building materials manufacturer and a regional market player in the Asia Pacific, with products such as Interlocking Concrete Pavers, Eurotiles, Concrete Imprint (Sun-Crete), Glazed Vitrified Clay Pipes, Vitrified Clay Jacking Pipes, Vertical Cast Reinforced Concrete Pipes and Sunway 'Cavite' Drywall System.

The Division is committed to providing innovative quality products and services that exceed customers' expectations through economics of continual improvement and operational effectiveness.

### KEY MILESTONE:

- > Acquisition of a 101-acre clay mine and commencement of its clay operations for better clay management and improved productivity, providing clay reserves for more than 20 years of product requirement
- > Its Sunway 'Cavite' Drywall System division has successfully set up and commissioned the plant in Senai, Johor for the manufacturing of non-load bearing wall panels

### GROWTH DRIVERS:

- > To maintain as a market leader for interlocking concrete pavers
- > Providing a complete range of external pavement flooring solutions which consists of interlocking concrete pavers, eurotiles and concrete imprint
- > Commencement on the production of high quality vitrified clay jacking pipes, complementing the existing range of products like glazed vitrified clay pipes and vertical cast reinforced concrete pipes, used for water and waste management
- > Own clay mine ensures consistency of clay supply and quality to continue driving down the production cost
- > Expansion of its business to China, one of the fastest growing regions in the world, such as the pavement business in Shanghai and Dongguan, and the spun pile business in Zhuhai



Concrete Pipes



Vitrified Clay Pipes



## PROPERTY DEVELOPMENT

*Sunway's Property Development Division has built its reputation as a boutique developer offering premium real estate products and services.*

Revenue

RM **48 mil**

Operating Profit

RM **15 mil**



*Interior Shot of the Singapore Public Housing Project in Boon Keng*

Sunway's Property Development Division has built its reputation as a boutique developer offering premium real estate products and services.

The Division continues to fulfill the demand for strategically located mixed commercial and residential properties both in and out of the country. The property development arm of Sunway is determined to continue to provide high quality and innovative products that consistently exceed customer satisfaction and enhance shareholders' value.

### KEY MILESTONE:

- > A strategic alliance with SunCity for Sunway Group's first property development project in China. The mixed development project (Gross Development Value of RM473 million), located within the Central Business District of Jiangyin New Harbour City, China is expected to break new ground through the introduction of ultra modern resort style living
- > Second Design-Build-Sell Scheme (DBSS) public housing project awarded by the Housing and Development Board of Singapore obtained through its 30% owned joint venture with a Singapore-based property developer (Gross Development Value of SGD680 million) in the strategic location of Toa Payoh

- > Launching of SunwayPJ@51A, an integrated commercial project in Petaling Jaya, Selangor that encompasses retail, showroom, office suites and kiosks (Gross Development Value of RM100 million)
- > Upcoming launch of Sunway Rydgetway in Melawati consisting of zero lot bungalows and semi-detached houses in an exclusive gated and guarded development (Gross Development Value of RM150 million)
- > Upcoming launch of Phase 5 of Bangi Integrated Commercial Centre consisting of 4-storey shop houses, in a location amidst 30 acres of commercial development in Bangi, Selangor (Gross Development Value of RM30 million)

### GROWTH DRIVERS:

- > Consistent exploration of regional opportunities in order to obtain strategically located landbanks in Malaysia and overseas. This ensures speedier completion of highly sought after projects, whilst at the same time, lowering holding cost on land purchases



Landscaping at Sunway Rydgetway



2½-storey Zero Lot Bungalow, Sunway Rydgetway







## *corporate responsibility*

**52** Business with a Heart

**55** Our People

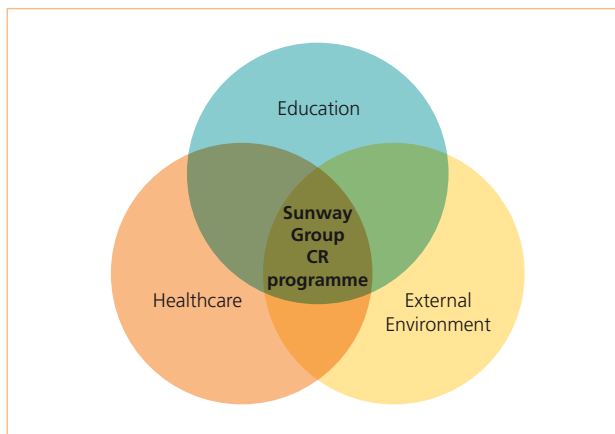
**58** Our Culture

# BUSINESS WITH A HEART

***"We must be the change we wish to see in the world"*** - Mahatma Gandhi

With people as its top priority, Sunway Group looks towards a sustainable Corporate Responsibility ("CR") platform that protects, nurtures and enables human capital to reach its best potential. To achieve these objectives, the programme runs on 3 main pillars; looking at human capital excellence in terms of Education, Healthcare and External Environment.

The Sunway Group CR programme incorporates a variety of activities in these 3 areas which it views collectively as a holistic approach towards advancing human capital. The Group's continued commitment to providing education opportunities, promoting physical well being as well as securing a safe and sound environment to work, live and play – is the perfect formula in developing a community and country of high-achievers and success stories.



## EDUCATION

***"Education is for improving the lives of others, and for leaving your community and world better than as you found it"*** - Marian Wright Edelman

Education is a vital vehicle for imparting knowledge and skills that are applied in decision-making, in rationale, in judgment, and in administration of peace and justice. It builds a strong underlying foundation for an army of enablers in advancing a nation, improves the well being of any society and ultimately protects our most precious resources in sustaining our long-term future. Education provides people the opportunity to improve, arm themselves to overcome hardships and ultimately brighten their hopes for a better tomorrow.

For the past 20 years, the Sunway Group has played a crucial role in Malaysian education, in terms of bringing quality and affordable higher education to our community and country. However, more importantly, this also forms a strong pillar that we leverage for powerful opportunities in bringing our CR's objectives to life.

### Sunway Education Trust Fund

The Sunway Education Trust Fund was set up in 1997 and has since then, been managing the administration of designated proceeds from Sunway University College and Monash University Sunway Campus. These funds are deployed for the benefit of all students; be it through reinvestment into the institutions to expand and upgrade facilities, enhance research capabilities, or most notably, fund scholarships to deserving Malaysian students. To date, more than RM40 million in scholarships have been awarded.

### Job Placement Programme

Recognising that every person deserves a chance to feel a sense of belonging and purpose in society, Sunway Group also runs a Job Placement Programme endorsed by the Education Ministry of Malaysia. Special needs students from the Sunway-sponsored SMK Bandar Sunway Special Programme are trained with basic work-related skills and ethics. The Job Placement Programme places the students in the various Sunway subsidiaries for a 6-month training, where they are able to progress as independent members of society's workforce.

The third batch of 10 students commenced their job placements at the Group's business units early 2008 and has since completed their stint successfully.



Scholarship award recipients



## HEALTHCARE

***"It is health that is real wealth and not pieces of gold and silver"*** - Mahatma Ghandi

Basic healthcare is as simple a human need as food and shelter; and is literally a bare necessity that builds the foundation of any person's pyramid of happiness. The preservation of physical well being should come before the pursuit of personal achievement and material wealth. Unfortunately, it is this aspect that is more often than not, taken for granted in today's society; and more so by the urban affluent who only need to expend a low percentage of their annual income on basic healthcare. The Sunway Group actively partakes in CR activities that benefit and improve the health of the broader Malaysian community.

The Group recognises that basic healthcare is a luxury to some of the less fortunate members of our community. To this respect, the Group commits to long-term, non-profit activities such as assisting to launch a National Kidney Foundation ("NKF") Mobile Health Screening Unit that provides kidney diagnosis and dialysis, and providing free annual health screenings to needy children from the backstreets of Kuala Lumpur.

The Sunway Group and NKF of Malaysia marked a significant milestone in January 2008 with the launch of its NKF LifeCheck Mobile Health Screening Unit ("NKF LifeCheck"), the first customised 40-seater bus designed specifically to carry out health screening in Malaysia. The customised bus, a first for Malaysia and NKF, provides for the early detection and prevention of kidney disease through health screenings carried out on the mobile unit. The NKF LifeCheck is equipped with various medical devices and work stations built in to allow for basic health screenings to be conducted. The unique feature of the NKF LifeCheck is the 7 work stations found within the vehicle designed for various tests such as urinalysis/urine test, blood pressure, random blood glucose, random blood total cholesterol, body mass index, waist circumference and counselling.

The NKF LifeCheck was made possible by one of the Sunway Group's CR initiatives titled Spirit of Love & Care, a fund-raising charity dinner in November 2006, which successfully raised RM780,000 for the NKF.

## EXTERNAL ENVIRONMENT

***"To know that even one life has breathed easier because you have lived, that is to have succeeded"*** - Ralph Waldo Emerson

While we place great emphasis on education and healthcare as 2 important pillars supporting human capital excellence, we must recognise that people in general are often subjected to life's harsh realities driven by exogenous factors in their living environment. For human capital to flourish, we look towards providing safe, sound and sustainable surroundings that will promote the right 'room temperature' in harnessing their best potential. This could be as simple as protecting their safety to ensuring we promote best practices to minimise depletion of resources from our good earth.



Official ceremony unveiling the NKF LifeCheck

In line with Sunway Group's core businesses, the Group has built a strong and sustainable community around the Sunway area that has grown in population to 30,000 to date. Whilst the general perception is for the public sector to be the sole provider of a comfortable, safe and sound environment for residents and visitors alike, the Sunway Group believes that strong corporate sector participation is an absolute must to fully achieve this objective.

### Sunway Recycling Programme

The Sunway Group is dedicated in promoting a sustainable green environment for our future generations of human capital. Its recycling programmes have been a big hit with both Sunway staff and various community stakeholders since it started in 2003. Temporary recycling facilities and centres are set up on a monthly basis, which now collects up to 300,000 kg of recyclable waste a year, a sizeable achievement to date, relative to the collection of 56,056 kg in its first year of operation. The Group actively seeks to play its part in environmental CR.

### Sunway Safe City

The Sunway Group sponsors reinforcements in equipment, security facilities and even private security personnel, whilst police authorities commit to providing the best skills training in terms of formal regimented programmes, as well as on-the-job experience via 24-hour joint patrolling sessions alongside their police units. This strategic alliance has more than 800 security personnel of Sunway Group to work in tandem with the police, of which 83 have been accorded full-fledged Auxiliary Police status. On top of increased patrolling, high-technology CCTV cameras are also a regular feature in Bandar Sunway, adding to the monitoring and surveillance of the vicinity which helps to deter and even prosecute criminals.

## BUSINESS WITH A HEART



Handing over of mobile police stations to the Royal Malaysian Police (PDRM)



Chow Kit Kids - "make a wish come true" event

For the Sunway Group, taking this commitment to fight crime seriously means investing fully in the necessary resources such as building new police stations and enhancing existing ones. The current Bandar Sunway police station is one such example. The facility will soon be renovated and expanded to house more security and surveillance personnel in order to maintain the safety level of this ever-growing township. Sunway also invests in fully fitted patrol vehicles provided to the police in order to beef up the frequency and effectiveness of security patrolling in Sunway neighborhoods.

All these additional security measures branded with the Sunway logo are common sights to anyone frequenting Bandar Sunway, be it a resident, employee or visitor to the area. Believing that protection against crime is both the basic right and joint responsibility of all members of the community, Sunway also works together with the Malaysia Crime Prevention Foundation ("MCPF") and the Selangor State police authorities to engage and educate the public on crime prevention awareness. Recently in August 2008, these partners jointly hosted a public seminar for over 500 participants in conjunction with National Crime Prevention Month to spread awareness on how the community can play a role in preventing and reducing the incidence of crime in their neighborhood.

Notably, in recognising the value of his contribution towards crime prevention initiatives, Sunway Group's Chairman and Founder, Tan Sri Dato' Seri Dr Cheah Fook Ling was also appointed Chairman of the Selangor Chapter of the MCPF.

The Group recently highlighted its continuous commitment to the Safe City Initiative, by contributing 2 brand new Toyota Hiace mobile police stations to serve the surrounding community of Bandar Sunway. The vehicles that were donated to the Royal Malaysian Police (PDRM), represent further steps taken by the

Group to help amplify security efforts in the area, adding to the safety and well being of its residents and visitors.

### A Wireless Township

The Group signed a Memorandum of Understanding with Packet One Networks (M) Sdn Bhd on 14 July 2008 to enable Bandar Sunway to become the first Integrated Wireless Township in Malaysia. The services will benefit Bandar Sunway's 30,000 residents as well as its 30 million local and foreign visitors per year. The project currently provides wireless broadband coverage to most parts of the township.

### Chow Kit Kids

Sunway has taken a special interest to care for a group of special children from Yayasan Salam Malaysia, a home established to care for children from the streets of Chow Kit. In March 2008, Sunway Group took the responsibility of providing free medical checks for these special children in Chow Kit. A team of specialised doctors, nurses and laboratory specialists conducted general check ups on these children that include blood and urine tests.

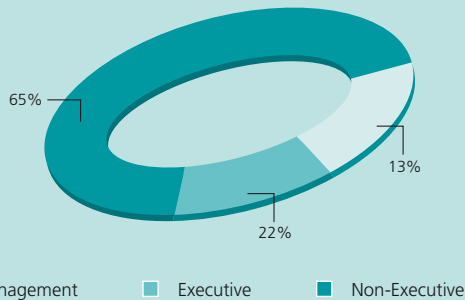
During festive season in December 2007, Sunway Group organised 'make a wish come true' event that treated all 83 children (ages 2-16) at Sunway Integrated Resort City. This was carried out based on the children's wishes to have a day out. Among other Christmas goodies, all children were presented with brand new school uniforms and school shoes for the 2008 school term.

Sunway Group will continuously include the children of Chow Kit in their CR programmes to assist the children in any way possible to ensure they grow up to be a better citizen.

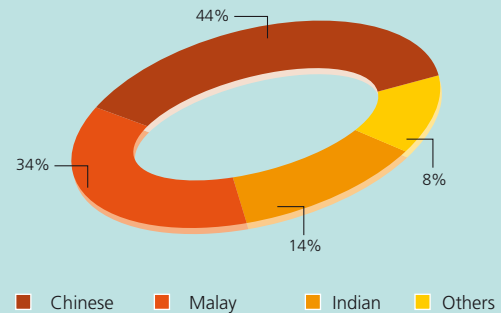
# OUR PEOPLE

*"United in teamwork, entrepreneurship and a commitment towards excellence"*

**Employees by Classification**



**Employees by Race**



In today's increasingly competitive environment where talent is very much sought-after globally, the Group recognises the importance of cultivating the imminent need to develop our people. With this, the Group encourages continuous learning and development, and propagate the culture of candor as well as encourage the sharing of knowledge management principles.

The Group endeavours to create an environment to bring out the best from its talented and dedicated employees. Their professionalism, creativity and diversity operate within the framework of sound business practice, maintained and supported by disciplined and highly professional managers. The tenacity and unwavering determination of our people are the very foundation that have propelled the Group to greater success as the entire nation grows. Today, our people are a source of pride - loyal, capable, empowered and most of all, united by a shared corporate vision.



## COMMUNICATION AND DEVELOPMENT

### Employee Development - Recognise, Nurture and Support

The Group has implemented a holistic human capital development programme that offers career and personal growth through performance management, experiential learning, coaching and mentoring. Strong leadership in the organisation

is pivotal to drive the human capital development programmes. The Group realises the importance of recruiting, developing and retaining the right employees and leveraging on each of their strengths.

#### > Training and Development

The Group continues to manage and conduct a portfolio of learning programmes which supports personal, career and leadership development of employees. Such programmes include Coaching for Results, Maximising Team Performance, Mentoring for Leaders and 7 Habits of Highly Effective People. The Group also encourages experiential learning through project management, short-term assignment and job rotation as part of the various intervention of learning.

#### > Talent Pool Development

As the Group strives in turning our vision into reality of being a world-class provider, a well structured Talent Management Roadmap will serve to ensure that its leadership pipeline is continuously brimmed with a dynamic, progressive and innovative workforce.

The High Potential Development Programme and Young High-Potential Development Programme are 2 key talent and career advancement initiatives where talented employees are put through a regime of training and development programmes to equip themselves with the essential skills for future management and leadership positions. Executive coaching is also a key feature in talent development within the Group. In ascertaining the effectiveness of the talent development programmes, talents are engaged through annual engagement sessions. It is also over these engagement sessions that the Group is able to gauge the talents' satisfaction towards the Company.





Sunway Managers' Conference

### > Succession Planning

Succession planning is a contingency plan to mitigate the risks of key employees leaving unexpectedly as well as the gradual retirement of senior management. A structured process of Succession Planning is being rolled-out by the Group to as many subsidiaries within the Group to enable them to cultivate this important management practice. Key talents with future leadership potential are developed through the High Potential Development Programme to prepare them for future leadership roles. Some of these talents are developed through other more financial intensive programmes such as INSEAD and the Harvard training programme.

### > Sunway Managerial Advancement for Recruited Talents ("SMART") Programme

The Group believes that by exploring and implementing best practices and structured policies and procedures, the retention rate will improve dramatically. With this in mind, SMART Programme was initiated in 2002 to accelerate job competency at entry level to better manage and develop the Company's talent pool. SMART Programme aims to recruit, train and retain the best Malaysian graduates from institutions of higher learning with excellent academic results and a track record of leadership capabilities.

### > 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 the United Kingdom to be awarded this prestigious appointment. In addition, the Group was also accorded with the Approved Employer status by ACCA. Those registered under this programme are offered training contract and eventually a rewarding career and professional development opportunities with the Sunway Group.

### > 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 the Sunway Group by encouraging reading among employees.

### Communication

Through the Group's array of established and proven communication platforms and tools, it has managed to improve, enhance and promote relentless employee engagement. Constant agility and courageous determination in numerous attempts to experiment and explore new social medias have been proven to attract and engage the Baby Boomers, Gen X and Y within our workforce. The Group communicates through the various channels such as Coffee Sessions, Hang Loose Nights, Tea Sessions (with non-executive staff), Sunway Managers'



*Kelab Sukan Sunway family day*

Conference, e-bulletins, Sunway Portal, Plasma Insertions, Short Messaging Services (SMS) and mentor-mentee sessions.

#### **Employee Referral Programme ("ERP")**

Successful talent management within the Group sets in motion a virtuous cycle. Through word of mouth the Group becomes known as a great place to work. As at the end of this financial year, Sunway ERP managed to attract more than 358 submissions. The programmes' value lies in the ability to not only attract good job candidates but also show goodwill and commitment to the employee making the referral.

## **SPORTS AND SOCIAL ACTIVITIES**

The Group believes that sports and social activities foster closer ties amongst employees thus enabling better rapport and work quality. This is made possible with the Group's sports club, "Kelab Sukan Sunway".

The Kelab Sukan Sunway provides avenues for our employees to pursue healthy lifestyles by organising sporting and social programmes such as bowling tournaments, futsal competitions, local and overseas trips, community services, car treasure hunts, white water rafting, family days, health and informative talks, as well as the annual Dinner & Dance Nite. These informal get-togethers have fostered a family-like atmosphere throughout the Group.

The Kelab Sukan Sunway Clubhouse, located at Basement 1, Menara Sunway is equipped with recreational facilities such as a sauna, gymnasium, squash court, snooker table, Astro, table tennis and carroms, for the exclusive use of our employees.



*Dialogue session with managers at the Sunway Construction Managers' Conference*



# OUR CULTURE

The growth spirit within the Group has consistently motivated the team to engage in continuous efforts to pursue operational excellence.

## SAFETY

In its continuous effort to develop, implement and maintain good occupational safety, health and environmentally friendly practices in its activities, the Group inculcates a corporate culture for the overall well being of the employees, the community and the environment through its commitment to the Group's Occupational Health, Safety and Environmental ("HSE") policy as follows:

- > To ensure that all work activities carried out by the Group's employees and all related persons comply with the applicable Malaysian occupational safety, health and environmental laws, regulations and approved codes of practice.
- > To prevent accidents, environmental pollution, near misses and health hazards through systematic hazard identification, risk assessment and risk control procedures and training.
- > To maintain, regularly review and continuously improve the Group's occupational safety, health and environmental policy and procedures.
- > To adhere strictly to all procedures and to ensure relevant information is disseminated to all employees.
- > To strive towards Zero Life Loss at all work sites.

The Group is committed to provide continuous HSE training and development programmes to its employees to raise their safety awareness, inculcate a safety culture and improve their safety knowledge through programmes such as Site Safety Supervisor's Training, Crane Operations Safety Training, Scaffold Awareness Training and Environmental Awareness Training.

The Group complies with the Occupational Safety and Health Act 1994 (OSHA Act 514), Environmental Quality Act 1974, Factories and Machinery Act (Amendment) 2006 - Building Operations and Works of Engineering Construction (BOWEC) & Occupational Safety and Health Act 1994 (Use and Standard of Exposure of Chemicals Hazardous to Health- USECHH) and local building bylaws in all its construction activities.

In its commitment to develop, implement and maintain occupational safety and health practices in its construction activities, the Group's Construction Division was accredited

with the OHSAS 18001: 1999 (Occupational Health and Safety Assessment System) Certification by SIRIM QAS in 2001. The Group was also presented with several national awards as recognition of its ability to manage its Occupational Safety and Health hazards and risks at the work place.

## QUALITY

The Group has built a reputation for quality and remains focused on its commitment to quality in all its projects. The Group believes that total involvement from top management to general workers at the sites is very important in producing good quality products and reliable services. Awareness of quality in every aspect of businesses is essential for continuous growth and success.

In order to increase the level of awareness and competency among staff and subcontractors' workers, several knowledge sharing programmes have been planned and initiated, such as Kaizen Site Walk, Small Group Activity and Site Training Academy.

### > Kaizen Site Walk

Kaizen Site Walk is a program where scheduled visits are made by relevant staff from head office and other projects to see the status of quality implementation of selected trades. During the session, all parties (including project team and subcontractors) would exchange views on the observed good and bad practices. Those lessons learnt would be recorded and shared in the relevant trades' Small Group Activity.

### > Small Group Activity ("SGA")

As to date, 13 SGAs have been formed and consist of members from cross-functional areas to study, analyze and brainstorm the root causes of certain quality problems of the relevant trades and propose preventive actions to improve the related work quality. The findings by the group will be compiled as Quality Conformance Awareness Training ("QCAT") materials which will be shared with all project teams and relevant subcontractors within the organisation.

The SGA initiatives have proven to be effective in reducing defects at all project sites. The Group believes that the staff and workers' competencies are vital in ensuring the



*Scaffold Awareness Training*



*Environment Awareness Training*



*Site Safety Supervisor's Training*



Occupational Health and Safety Assessment System Certification

Quality Management System Certification

delivery of quality products and services. As a result, the Group aims to continually upgrade its quality performance through training and education. All members (staff and workers) are involved in some aspects of the training programme. Site trade masters will lead the training session to the project team and subcontractors. The subcontractors' role would be to adhere to the required standards and provide feedback on the relevancy and practicality of the QCAT materials.

This is the learning culture to be inculcated among our people and partners for continual improvement and spearhead the efforts toward achieving Zero Defect and 'Doing Right Things Right the First Time and Every Time'.

## ENVIRONMENTAL MANAGEMENT

The Group recognises that environmental management is an important corporate priority. As part of the Group's dedication towards environmental conservation, the Group is committed to improving its environmental practices for the overall well being of the surroundings in which it operates.

The Group endeavours to mitigate the potential damage and harm to the environment by encouraging the efficient use of energy and effective waste management in all of our business activities. Environmental risk management programmes have been implemented to assess environmental risks and pollution control measures rolled out whenever required. The Group strives to safeguard the environment and to encourage the same standards of environmental care from our suppliers and business partners.

## PROCUREMENT POLICY

The procurement process of the Group is managed to ensure that materials or services which are purchased meet the requirements of the clients and specifications of the contract. The procurement process is carried out by the Group's in-house procurement function, which was established to support the Group's long-term profitability objectives, together with expertise from various functions of the business units.

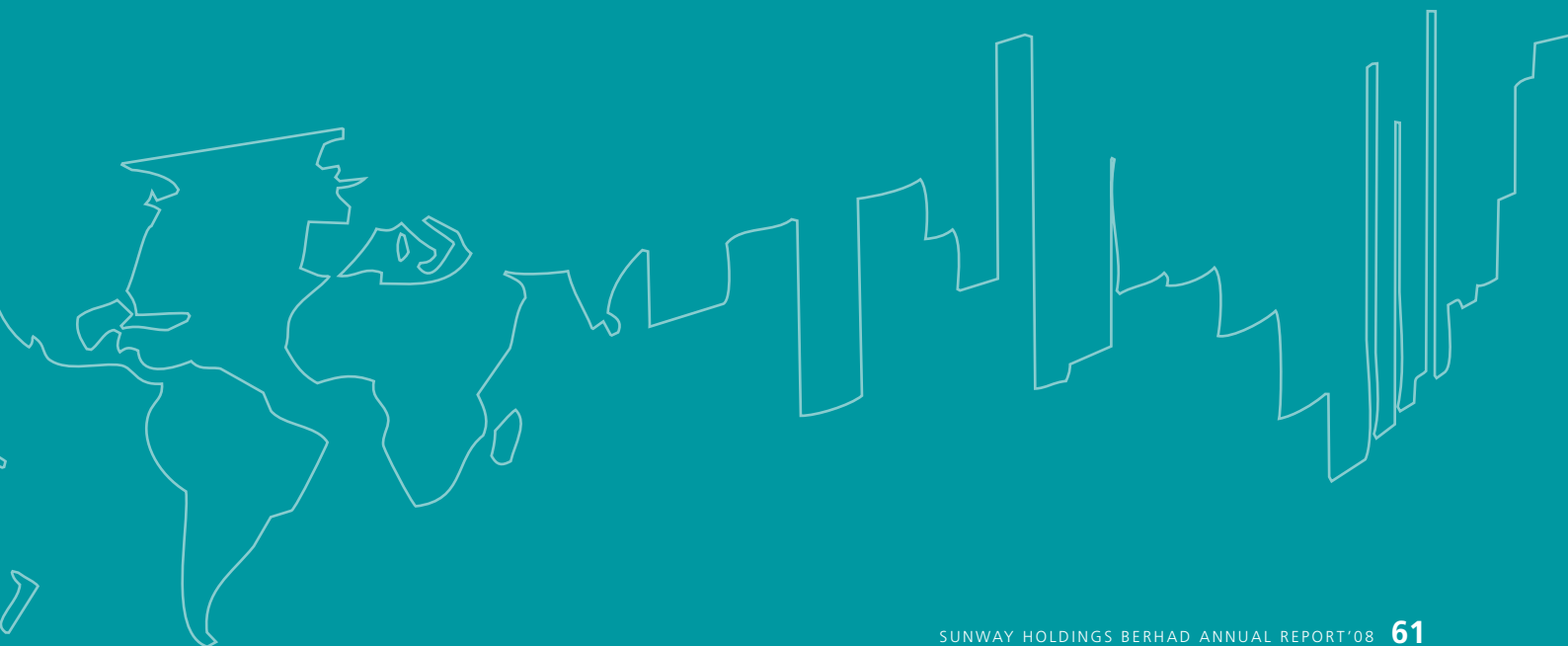
With efficient management of supplier base enabled by the Group's e-Procurement system, the Group is able to obtain materials or services from the most reliable source in terms of quality, pricing and timeliness of delivery. The Group also builds strong relationships with strategic vendors with the goal of driving costs down by leveraging on volume, and improving quality and service standards.

Competitive bids and price quotations are also conducted with the aim of providing transparent, open and free competition in the procurement process. This is accomplished by adhering to formal competitive bidding procedures, soliciting requests for quotations and proposals, and negotiating pricing agreements.



## *with integrity*

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# CORPORATE GOVERNANCE STATEMENT

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

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

## A. DIRECTORS

### THE BOARD AND ITS RESPONSIBILITIES

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

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

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. On 15 April 2008, Mark Victor Rozario had resigned as the Finance Director and Koong Wai Seng was appointed in his place. 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, economics, finance, civil engineering, legal and real estate development. 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 Director to ensure a balance of power and authority. The Managing Director is subject to the control of the Board of Directors. He is responsible for the day-to-day management of the business in accordance with the objectives and strategies established by the Board.

Wong Chin Mun 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 32 to 36 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 30 June 2008 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 Cheah Fook Ling	6/8	75
Dato' Chew Chee Kin	8/8	100
Yau Kok Seng	8/8	100
Mark Victor Rozario	5/5*	100
Dato' Tan Kia Loke	8/8	100
Kwan Foh Kwai	8/8	100
Wong Chin Mun	7/8	88
Datuk Low Seng Kuan	7/8	88
Datuk Abdul Malek Bin Abdul Aziz	8/8	100
Koong Wai Seng	3/3*	100

\* Reflects the number of Board Meetings attended during the time the Director 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 management, capital markets development, taxation, investor relations, property and international construction industries.

## Training Programmes, Seminars and Workshops attended by Directors

Course Title / Organiser	Date
National Tax Conference 2007 (Malaysian Institute of Taxation and Lembaga Hasil Dalam Negeri)	17-18 July 2007
7th Malaysian Road Conference 2007 (Ministry of Works, Jabatan Kerja Raya, Lembaga Lebuhraya Malaysia and Road Engineering Association of Malaysia)	17-19 July 2007
MBAM Conference 2007 – Going Global : Challenges and Opportunities* (Master Builders Association Malaysia)	31 July 2007
The General Manager as Strategist and Implementer (Harvard Club of Malaysia)	29 August 2007
The 2007 National Property and Housing Summit – Creating New Blue Oceans for the Property Sector (Asian Strategy & Leadership Institute)	17-18 September 2007
International Construction Conference 2007 – Challenges of Global Mega Projects : Building to the Extreme* (Master Builders Association Malaysia, Chartered Institute of Building Malaysia and Universiti Teknologi Mara)	19-20 September 2007
Exclusive Lunch Sharing – The Future of Investment Banking : Challenges and Opportunities (Sunway Technology Sdn Bhd, Polaris and IBM)	29 October 2007
How to Lead and Manage in Challenging Times (Sunway University College)	29 November 2007

## CORPORATE GOVERNANCE STATEMENT

Course Title / Organiser	Date
The recent changes in the Corporate Legal Framework towards better Corporate Governance – Its Implications on Directors’ Duties (Malaysian Institute of Corporate Governance)	28-29 January 2008
Vistage CEO Summit 2008 – “Can we really manage the future?” by Dr Pero Micic (Vistage Malaysia Sdn Bhd)	12 March 2008
Malaysian Boardroom Challenges : Companies (Amendment) Act and Capital Markets & Services Act that impact board decisions (Mah-Kamariyah & Philip Koh)	10 June 2008
The 4th Asia Pacific Audit and Governance Summit 2008 (Columbus Circle)	16-17 June 2008

\* Attendance by a Director as a Moderator at the Conferences held.

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 are 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 Abdul Malek Bin Abdul Aziz is subject to such retirement and is 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 are disclosed in the Statement Accompanying Notice of 30th Annual General Meeting.

### 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 Wong Chin Mun as Chairman, Datuk Low Seng Kuan and Datuk Abdul Malek Bin Abdul Aziz, 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 75 to 79 of the Annual Report.

#### 2. Management Committee

The Management Committee comprises Tan Sri Dato’ Seri Dr Cheah Fook Ling as Chairman, Dato’ Chew Chee Kin, Dato’ Tan Kia Loke, Yau Kok Seng, Koong Wai Seng and Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng. Its primary role is to assist the Board in overseeing and dealing with operational matters of the Group. The terms of reference of the Management Committee are set out on page 68 of the Annual Report.

#### 3. Nomination Committee

The Nomination Committee comprises 3 wholly Independent Non-Executive Directors. The Chairman of this Committee is Wong Chin Mun. The other members of the Committee are Datuk Low Seng Kuan and Datuk Abdul Malek Bin Abdul Aziz.

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 69 of the Annual Report.

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

- to endorse the re-election of Directors retiring by rotation at the Company’s Annual General Meeting, subject to the approval of shareholders;
- to endorse the re-appointment of Datuk Abdul Malek Bin Abdul Aziz who has attained the age of 70 years, as a Director of the Company pursuant to Section 129 of the Companies Act, 1965 subject to the approval of shareholders at the Company’s Annual General Meeting and at the Nomination Committee Meeting, Datuk Abdul Malek Bin Abdul Aziz abstained from deliberating and voting on his re-appointment;

- (c) to consider the appointment of Koong Wai Seng as Finance Director of the Company and a member of the Risk Management, Strategic Direction and Management Committees in place of Mark Victor Rozario;
- (d) to approve the Evaluation Forms on the effectiveness of the Nomination, Remuneration, Employees' Share Option Scheme, Risk Management and Strategic Direction Committees;
- (e) to approve the Evaluation Form for the assessment and evaluation of Independent Non-Executive Directors; and
- (f) to discuss the results of the evaluation on Board effectiveness.

#### 4. Remuneration Committee

The Remuneration Committee comprises mainly Non-Executive Directors namely Wong Chin Mun as Chairman and Datuk Low Seng Kuan. The other member of the Committee is Tan Sri Dato' Seri Dr 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 70 of the Annual Report.

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

- (a) to evaluate the performance of the Executive Directors and to determine their annual increments and bonuses;
- (b) to consider the renewal of Employment Contract for the President;
- (c) to consider a mid-year salary review for the Finance Director; and
- (d) to consider the remuneration package of the new Finance Director.

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 Cheah Fook Ling as Chairman, Dato' Chew Chee Kin, Dato' Tan Kia Loke and Yau Kok Seng, is responsible for implementing, allocating and administering the ESOS in accordance with such powers and duties conferred upon it under the Bylaws of the ESOS. The terms of reference of the ESOS Committee are set out on pages 71 and 72 of the Annual Report.

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

- (a) to consider and approve the applications made by employees to continue holding their options upon attaining retirement, due to transfer to a company which is outside the Group and due to resignation from the Group; and
- (b) to consider and approve the allocation of options to the eligible employees of the Group.

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

The RMC comprises Yau Kok Seng as Chairman, Koong Wai Seng, Kwan Foh Kwai, Wong Fook Chai, Ng Boon Liang, Leong Kai Hong, Yap Chin Leong, Teh Quen Chang, Khoo Poh Chye and Ng Eng Lee.

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 73 of the Annual Report.

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

- (a) to identify and evaluate new and existing strategic risks;
- (b) to review the status of implementation of management action plan;
- (c) to review the effectiveness of overall risk management at enterprise level;
- (d) to deliberate on key enterprise-wide risks and the Governance Scorecard; and
- (e) to consider and evaluate new overseas investment proposals.

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



## CORPORATE GOVERNANCE STATEMENT

### 7. Strategic Direction Committee ("SDC")

The SDC comprises Dato' Chew Chee Kin as Chairman, Dato' Tan Kia Loke, Yau Kok Seng, Koong Wai Seng, Kwan Foh Kwai, Wong Fook Chai, Ng Boon Liang, Leong Kai Hong, Yap Chin Leong, Teh Quen Chang and Khoo Poh Chye.

The SDC has the overall responsibility for charting the appropriate strategic direction for the Group, particularly to manage the Group's businesses from a strategy driven perspective, with clear objectives and targets for proactive decision-making. This is to promote transparency, accountability and set a formal platform for communicating the Group's strategic direction in line with enhancing Corporate Governance within the Group. The terms of reference of the SDC are set out on page 74 of the Annual Report.

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

- (a) to review the business strategies of the Group in China;
- (b) to deliberate on business opportunities for the Group in the Republic of Trinidad and Tobago;

- (c) to present the strategic direction and business vision of each division for the next 3 years; and
- (d) to discuss on the trends and opportunities of each division in the Group.

### 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	Non-Executive Directors RM	Total RM
Fees	-	54,000.00	54,000.00
Other Emoluments	-	33,500.00	33,500.00
Salaries and other Remuneration	2,656,518.95	1,277,676.00	3,934,194.95
Bonus	1,110,385.00	354,820.00	1,465,205.00
Benefits-in-kind	139,125.18	85,624.49	224,749.67
Total:	3,906,029.13	1,805,620.49	5,711,649.62

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

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM50,000	-	3	3
RM50,001 to RM100,000	1	-	1
RM500,001 to RM550,000	1	-	1
RM750,001 to RM800,000	1	-	1
RM800,001 to RM850,000	-	1	1
RM850,001 to RM900,000	-	1	1
RM900,001 to RM950,000	1	-	1
RM1,600,001 to RM1,650,000	1	-	1
Total:	5	5*	10

\* Include Directors' Remuneration in respect of 2 Non-Executive Directors who are the Executive Directors of a major subsidiary of the Company.

The details of the Directors' options over ordinary shares pursuant to the Company's ESOS for the financial year ended 30 June 2008 are set out on page 92 of the Annual Report.

## C. SHAREHOLDERS

### IALOGUE 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 several briefings and meetings with investors and research analysts. The Company had also participated in domestic and overseas investor conferences in the region.

In addition to published Annual Report and Quarterly Reports announced to Bursa Securities, the Group has established a website at <http://www.sunway.com.my> from which investors and shareholders can access for information.

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

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.

### 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 80 and 81 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 75 to 79 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 26 August 2008.**



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

# TERMS OF REFERENCE OF MANAGEMENT COMMITTEE

## 1. COMPOSITION

- 1.1 The Management Committee shall be established by the Board of Directors pursuant to Article 110 of the Company's Articles of Association and shall consist of not less than 3 members.
- 1.2 The members of the Management Committee shall elect a Chairman from amongst their number.
- 1.3 If a member of the Management Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced below 3, the Board shall appoint such number of new members as may be required to make up the minimum of 3 members.

## 2. OBJECTIVE

To assist the Board in the day-to-day operations of the Group.

## 3. MEETINGS

- 3.1 The quorum for the Management Committee shall be at least 2 members.
- 3.2 The Management Committee shall meet as and when it thinks necessary and expedient for the despatch of its terms of reference.
- 3.3 The Secretary to the Management Committee shall be the Company Secretary and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meeting together with the supporting explanatory documentation to members prior to each meeting.
- 3.4 The Secretary of the Management Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 3.5 In addition to the availability of detailed minutes of the Management Committee meetings to all Board members, the Committee at each Board Meeting will report a summary of significant matters and resolutions.

## 4. FUNCTIONS AND DUTIES

The Management Committee shall be responsible for overseeing and dealing with operational matters from time to time. Such matters to include:-

### 4.1 Investments

To deliberate and make recommendations to the Board on all transactions and matters relating to the Group's core business or existing investments.

### 4.2 Financial Arrangement

- (a) Approve financial arrangements with banks and other financial institutions including the signing of such documents for facilities negotiated up to RM5 million. Any such approvals are to be reported to the Board at the subsequent quarterly Board of Directors' Meeting.

- (b) Approve the creation of any mortgage, charge or other encumbrance over the Company or Group's property or assets for amounts not exceeding RM5 million. Any such approvals are to be reported to the Board at the subsequent quarterly Board of Directors' Meeting.
- (c) Approve the issuing or providing or permitting the Company or any of its subsidiaries to issue or provide any form of guarantees or indemnities or other financial or non-financial support provided it is made in the ordinary course of business.
- (d) Authorises changes in signatories in respect of accounts maintained by the Company with banks and other financial institutions.

### 4.3 Approval of Capital Expenditure, Commitments, Investment Contracts pursuant to the Group Credit Policies approved by the Board

To approve capital expenditure, commitments and any investment contract (or series of contracts) or any amendment to an existing contract involving cumulative payments up to RM5 million (or its equivalent in another currency), except as provided in the budget or business plan of the Company.

### 4.4 Adoption of any Significant Changes in Accounting Treatment or Policies

Approve the adoption of or any significant change in the accounting treatment or policies of each Company within the Group, other than as required by law or accounting policies generally accepted in Malaysia from time to time.

### 4.5 Human Resource

Approval of manpower plan including succession planning, appointing, training and fixing the compensation of senior management (excluding Executive Directors).

### 4.6 Investors' Relation Programme

Developing and implementing an investor relations programme including shareholder communications policy.

### 4.7 Other Matters

To undertake such functions and all matters as may be approved or delegated by the Board.

## 5. CIRCULAR RESOLUTION IN WRITING

A circular resolution in writing signed by majority of the members of the Management Committee shall be considered valid and effectual as a resolution duly passed at a meeting of the Management Committee.

# 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.
- (i) 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 4 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 4, 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 Bylaw 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 Bylaw 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 Bylaw 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:-

## TERMS OF REFERENCE OF EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

- (i) in the event such Option Holder is found not guilty of the charges which gave rise to such disciplinary proceedings, the Committee shall reinstate the right of such Option Holder to exercise his option(s); or
- (ii) in the event such Option Holder is found guilty resulting in the dismissal or termination of service of such Option Holder, the option(s) shall immediately cease without notice, upon pronouncement of the dismissal or termination of service of such Option Holder; or
- (iii) in the event such Option Holder is found guilty but not dismissed or termination of service is recommended, the Committee shall have the right to determine at its discretion whether or not the Option Holder may continue to exercise his option(s) and if so, to impose such terms and conditions as it deems appropriate, on such exercise.

3.3 Bylaw 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 Bylaws 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 Bylaws upon such recommendation, subject to the approval of all relevant authorities and all applicable laws, regulations, directives and guidelines (if required) PROVIDED THAT no such amendment and/or modification shall be made which would either:-

- (a) prejudice the rights then accrued to any Option Holder who has accepted an option without his prior consent; or
- (b) without the prior approval of the shareholders of the Company in general meeting alter the Bylaws 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 Bylaws 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 3 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.

# TERMS OF REFERENCE OF STRATEGIC DIRECTION COMMITTEE

## 1. MEMBERSHIP

- (a) The Sunway Strategic Direction Committee ("SSDC") shall be appointed by the Board and shall comprise not fewer than 4 in number.
- (b) The members of the SSDC shall elect a Chairman from among their number.
- (c) In the event of any vacancy in the SSDC resulting in the number of members being reduced to below 4, 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 SSDC.

## 2. ROLES AND FUNCTIONS

The SSDC has the overall responsibility for deciding on appropriate strategic direction for Sunway Group, particularly to manage the Group from a strategy driven perspective, with clear objectives and targets for proactive decision-making.

This is to promote transparency, accountability and set a formal platform for communicating the Group's strategic direction in line with enhancing Corporate Governance within the Group.

Its primary roles include the following:-

- (a) To assess and deliberate on all possible local and foreign business ventures proposed by its Business Units and to decide on viability of business ventures so as to ensure that it is in line with the Group's strategic objectives.

- (b) To ensure all acquisitions are in line with the strategic direction of the Group and would positively enhance shareholders' value.
- (c) To ensure all divestments decisions are thoroughly deliberated and would positively enhance shareholders' value.
- (d) To ensure utilisation of all resources within the Group are appropriate to meet the strategic objectives of the Group.

## 3. MEETINGS

- (a) The SSDC shall meet at least quarterly or half yearly in a year. However, additional meetings may be called at any time at the SSDC Chairman's discretion.
- (b) The quorum for the meeting shall be 2 members.

## 4. REPORTING

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

## 5. SECRETARY

The Secretary to the SSDC shall be the Company Secretary.



# AUDIT COMMITTEE REPORT

## FORMATION

The Audit Committee was formed by the Board of Directors at its meeting on 7 March 1994.

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 30 June 2008 were as follows:-

1. Wong Chin Mun - Chairman  
(Senior Independent Non-Executive Director)
2. Datuk Low Seng Kuan  
(Independent Non-Executive Director)
3. Datuk Abdul Malek Bin Abdul Aziz  
(Independent Non-Executive Director)
4. Yau Kok Seng  
(Managing Director, Non-Independent Executive Director)  
(Resigned on 18 October 2007)

## MEETINGS AND ATTENDANCE

The Audit Committee held 5 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
Wong Chin Mun	4/5
Datuk Low Seng Kuan	4/5
Datuk Abdul Malek Bin Abdul Aziz	5/5
Yau Kok Seng	2/2*

\* Reflects the number of Audit Committee Meetings attended during the time the Director held office.

The Company Secretary, Finance Director, Internal Auditors and External Auditors were present at all the 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:-
    - (i) have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - (ii) is a member of one of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
  - (c) who must have at least 3 years' post qualification experience in accounting or finance and:-
    - (i) has a degree/masters/doctorate in accounting or finance; or
    - (ii) is a member of one of the professional accountancy organisations which has been admitted as a full member of the International Federation of Accountants; or
  - (d) who must have at least 7 years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.
- 1.4 No Alternate Director shall be appointed as a member of the Committee.
- 1.5 The members of the Committee shall elect a Chairman from amongst their number, who shall be an Independent Director.
- 1.6 If a member of the Committee resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraphs 1.1, 1.2 or 1.3 above, the Board must fill the vacancy within 3 months.

## AUDIT COMMITTEE REPORT

- 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 least 2 members, the majority present must be Independent Directors.
- 2.2 The Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide.
- 2.3 Notwithstanding paragraph 2.2 above, upon the request of any member of the Committee, non-member Directors, the Internal or External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 2.4 The External Auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so.
- 2.5 The non-member Directors and employees of the Company and of the Group shall normally attend the meetings at the Committee's invitation, to assist in its deliberations and resolutions of matters raised. However, at least twice a year, the Committee should meet with the External Auditors without the presence of the executive board members.
- 2.6 The Internal Auditors shall be in attendance at all meetings to present and discuss the audit reports and other related matters as well as the recommendations relating thereto and to follow-up on all relevant decisions made.
- 2.7 The Company Secretary shall act as Secretary of the Committee and shall be responsible, with the concurrence of the Chairman, for drawing up and circulating the agenda and the notice of meetings together with the supporting explanatory documentation to members prior to each meeting.
- 2.8 The Secretary of the Committee shall be entrusted to record all proceedings and minutes of all meetings of the Committee.
- 2.9 In addition to the availability of detailed minutes of the Committee Meetings to 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:-
- (i) the audit plan and audit report and the extent of assistance rendered by employees of the Auditee;
- (ii) their evaluation of the system of internal controls;
- (iii) the audit fee and on matter concerning their suitability for nomination, appointment and re-appointment and the underlying reasons for resignation or dismissal as Auditors;
- (iv) the management letter and management's response; and
- (v) issues and reservations arising from audits.

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

## AUDIT COMMITTEE REPORT

### SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 30 June 2008 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 member.
- (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 for the financial year ended 30 June 2008 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) Approved the Conflict of Interest Declaration Policy and reviewed any conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (l) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (m) Reported to the Board on significant issues and concerns discussed during the Committee's meetings together with applicable recommendations. Minutes of meetings were tabled, discussed and noted by all Board members.
- (n) Reviewed and approved the Audit Committee Report for inclusion in the Company's 2007 Annual Report.
- (o) Reviewed the disclosure statements on compliance of the Malaysian Code on Corporate Governance and the state on internal controls as well as the Directors' Responsibility Statement on the annual audited financial statements for inclusion in the Company's 2007 Annual Report.
- (p) Reviewed and met with the Head of Finance Shared Services Centre pertaining to the Audit Committee Report issued by the External Auditors in respect of their audit for the financial year ended 30 June 2007.

(q) Reviewed and endorsed the revised terms of reference of the Audit Committee which were made in line with the revised Malaysian Code on Corporate Governance issued by the Securities Commission on 1 October 2007.

## 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 30 June 2008, 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.

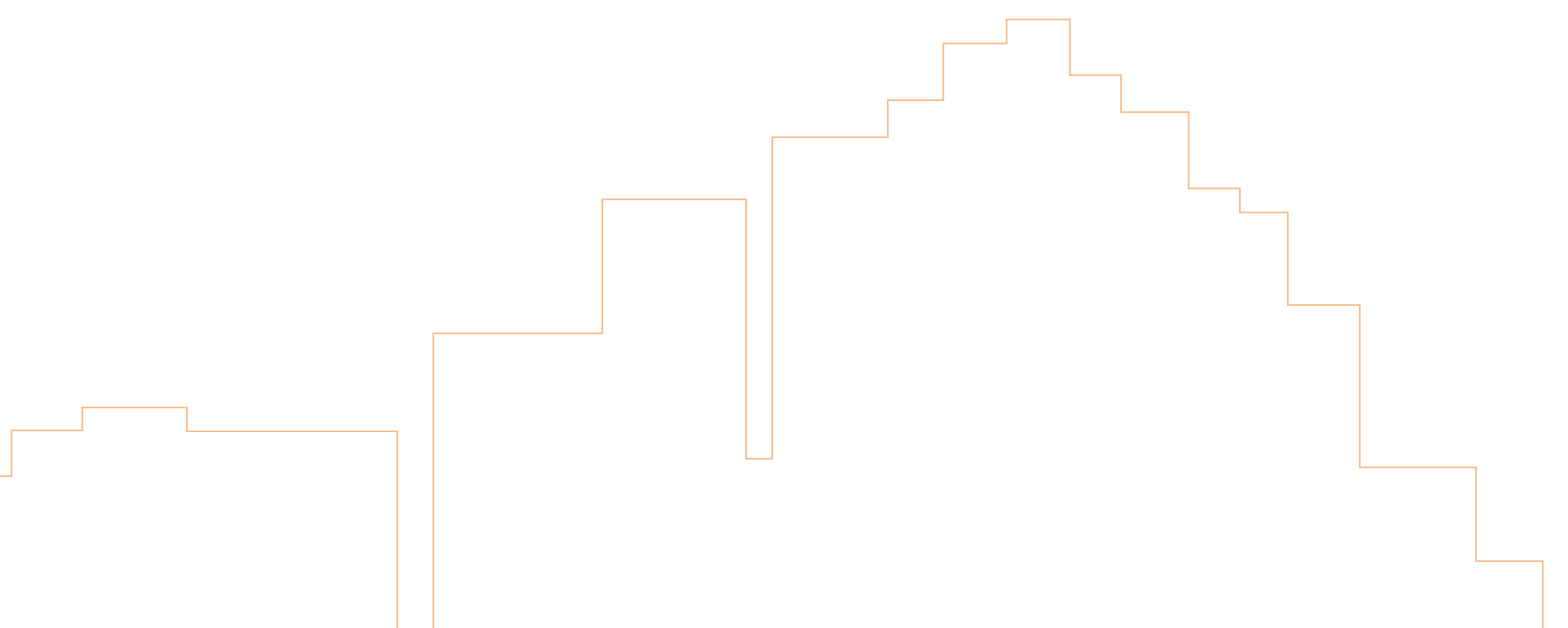
(f) Reported to the Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.

(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 Committee's meetings to table and discuss the audit reports and followed up on matters raised.

(i) Performed independent evaluation on the operation of risk management framework focusing primarily on the adequacy and effectiveness of the said framework.

The costs incurred for the internal audit function in respect of the financial year ended 30 June 2008 amounted to RM577,207.63.





# 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 Sunway's ("the Group") Statement on Internal Control ("the Statement") as a Group, made in compliance with Paragraph 15.27 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 has in place an on-going process of identifying, evaluating, monitoring and managing the key risks affecting the achievement of its business objectives throughout the year. The Board reviews this process on a quarterly basis.

In the case of associated companies, the management of those companies manages the systems of internal controls. The Statement therefore does not cover these associated companies.

## THE GROUP'S SYSTEM OF INTERNAL CONTROL

### Monitoring Mechanisms and Management Style

Scheduled quarterly meetings of the Board, 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 President, Managing Director ("MD") and their respective management teams. Under the purview of the President and MD, the respective heads of each operating subsidiary and department of the Group are empowered with the responsibility of managing their respective operations.

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 82 to 84 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.
- > An effective 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.
- > Relevant Board Committees with formal terms of references clearly outlining their functions and duties delegated by the Board.
- > Management meetings involving discussion on operational issues at the respective subsidiary levels.
- > Comprehensive policies and procedures manuals that provide guidelines on, and authority limits over various operating, financial, human resources and health and safety matters.
- > 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 to obtain accreditation for all operating subsidiaries such as ISO and OHSAS certification.
- > An internal audit function which carries out internal audits based on an annual risk-based audit plan approved by the Audit Committee ("AC").

## STATEMENT ON INTERNAL CONTROL

### 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. There were no major internal control weaknesses identified during the financial year.

Additionally for subsidiaries which are accredited with ISO or OHSAS certification, scheduled audits are conducted internally as well as by SIRIM auditors. Results of audits are reported to the Quality Management Committee and Occupational Safety and Health Committee respectively.

The AC Report is set out on pages 75 to 79 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.

**This Statement on Internal Control was approved by the Board of Directors on 26 August 2008.**



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

# ENTERPRISE RISK MANAGEMENT

In Sunway and its group of companies ("Sunway Group" or "the Group"), Enterprise Risk Management ("ERM") is viewed as a discipline and process established by the Board of Directors and senior management for planning, organising, leading and controlling the activities and objectives of the Group.

The Board of Directors endorses ERM as an integral part of the Group's practices, planning and operations which is ultimately utilised in the decision-making process in order to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

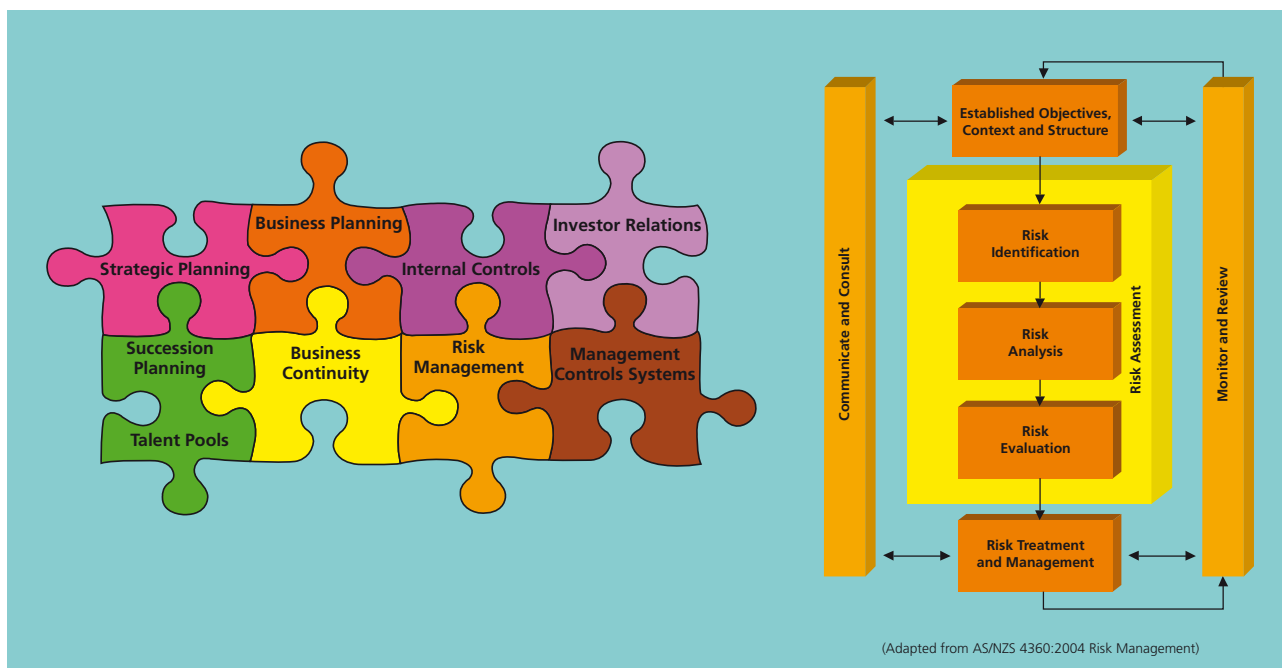
ERM is a practical tool and an on-going process in the Group and is primarily used to add value and assist the growth of businesses by attaining competitive advantages. ERM works hand-in-hand with other facets of business processes and complements the processes within the Group.

## RISK MANAGEMENT FRAMEWORK AND PROCESS

A proper risk management framework and process has been established in Sunway Group to ensure risks are identified, assessed, evaluated, managed and monitored on a regular basis as represented by the diagram below.

The risk management framework and process operates in line with the corporate strategies and objectives of the Group. This framework operates across all businesses within the Group to ensure that the evolution of risks faced by the Group is properly mitigated on a timely basis.

These risks are closely integrated with opportunities and returns to ensure that the Group is able to achieve its corporate strategies and objectives. The ultimate purpose of this framework is to manage rather than to eliminate the risks faced by the Group.



## ENTERPRISE RISK MANAGEMENT

### RISK MANAGEMENT STRUCTURE

In order to ensure proper implementation of the risk management framework and process within the Group, the Group Risk Management Division ("GRMD") was established in 2008; headed by the Group Chief Risk Officer. The responsibilities of the GRMD amongst others, would include:-

- > Ensure timely updating of risk profiles by the respective business units.
- > Ensure adequate actions are implemented on a timely basis to mitigate those risks.
- > Suggest risk mitigation methods to be implemented Group-wide.
- > Provide quarterly updates on consolidated risks faced by the respective business units risk profiles into the Group's risk profile.
- > Highlight key risk areas to the Group Internal Audit Department to ensure proper controls are in place to mitigate those risks.
- > Promote the risk management culture within the Group.

In Sunway Group, risk management is performed through a centralised reporting and managing structure in specific levels to promote accountability and responsibility of managing risks within the Group. Each level in the risk management structure will be facilitated by the GRMD. The formal risk management structure implemented in Sunway Group is as follows:-



### Risk Working Committees ("RWCs")

The RWCs consist of operational and financial representatives from the respective divisions of each business unit. Each business unit forms a RWC individually and meets quarterly with the GRMD. This is the operational level in the risk management structure within the Group.

The members of RWCs identify and plan mitigation actions for risks within their businesses from the operational level to the strategic level. The RWCs are responsible to ensure all risks at the business units level are adequately identified and appropriate mitigating actions and controls are in place.

### Risk Management Committee ("RMC")

The RMC will discuss and deliberate on the key risks identified by the business units and highlighted in the respective RWCs. The RMC's primary responsibility is to evaluate key risks that could have a significant impact on the Group's business strategies and objectives. The RMC is viewed as the management level in the risk management structure within the Group and also meets at least once on a quarterly basis.

The presentation of key risks at the RMC level will be on a consolidated basis so that the members are able to obtain an overall understanding of the risks faced by each individual business unit. In the quarterly meetings, the RMC will decide on the key risks that will be escalated to the Board of Directors for the Directors' attention and further deliberation. Some of the key responsibilities of the RMC are to update the Board of Directors on significant risk management issues, reporting on the evaluation of investment appraisals and other ad hoc reporting of significant matters.

### Board of Directors ("BOD")

The BOD provides an oversight to the risk management structure by providing insight, advice and direction to senior management on identifying and mitigating key risks within the Group.

The BOD's involvement in the risk management process provides recognition of the importance of ERM within the Group which is in accordance with the Malaysian Code on Corporate Governance.

## KEY RISK FACTORS

Risk management at Sunway Group is closely linked to all business strategies and objectives. Effective and intelligent risk management permits the management of the Group to optimise the trade-off between risk and reward. Risk management does not solely act as a means to manage the downside of risks but also acts as an effective business tool to identify opportunities embedded within those risks. Ultimately, risk management acts as a tool to optimise value for both internal and external stakeholders which includes the business units.

In this respect, the ERM framework in Sunway Group is aimed at assessing the Group's readiness and ability to face the risks and whether the Group is willing to tolerate and accept the risk occurrences for the rewards that these risks might bear. At Sunway Group, the BOD and senior management apply prudent risk management, acknowledging the fact that each risk and the decision made towards either mitigating or accepting the risk could significantly affect the Group's financial performance. The application of this process is however, not at the expense of progress and growth to the Group on a whole.

In view of this, a comprehensive ERM framework is applied across the organisation as well as at the business units level. Proactive steps are taken to manage all possible risks before they occur in order to mitigate the financial impact to its bare minimum. To ensure a consistent, disciplined and systematic manner in the management and monitoring of risks, Sunway Group employs the Corporate Risk Scorecard, a risk management software, which also operates as a permanent database for risks, management actions and controls.

The key risks faced by the Group are summarised below:-

### Economical and Political Risks

Changes in the local and global economy affects the Group's ability to deliver the required returns on investments and maximise value creation. The increase in inflation rates, interest rates and slow economical growth rates both locally and overseas have resulted in softening demand in the market as a result of slowdown in spending and investment, have made conditions less conducive for the Group. In addition to that, the Group's overseas operations in countries such as China and India are highly dependent on the political and regulatory environment.

Management is constantly monitoring these conditions, keeping up with the relevant developments and regular communication with the respective government authorities. The Group also adopts a detailed investment appraisal process to determine the appropriateness of a business expansion and the exit strategy, when applicable, to be applied in each respective business expansion.

### Financial Risks

The financial market conditions have changed quite dramatically over the past 12 months. Equity markets have been volatile coupled with rising inflation and fluctuating interest rates globally owing to the current situation in the financial services sector. These changes together with the financial outlook for the next 12 to 24 months will have a significant impact towards all entities within the Group.

The significant price increase in construction materials and raw materials during the financial year has reduced the profitability of the Group especially in the construction, property development and building materials divisions. By virtue of the Group's overseas operations in various countries, the Group is also exposed to foreign exchange risks as a result of foreign currencies fluctuations.

Construction material and raw material prices have since decreased and slowly stabilised. In view of the current scenario, the management is embarking on a cost and design efficiency plan to effectively manage the overall fluctuation in material prices. Management will also focus their efforts on ensuring both liquidity and foreign exchange exposure are properly managed.

### Human Resource Risks

Management is aware that the potential loss of services of key management personnel and talent pools could negatively impact the Group's ability to achieve its long-term business objectives and strategies.

Hence, management has embarked on a long-term plan to ensure succession planning for key roles within the Group and has ensured that high performing employees are recognised, provided with intellectual development opportunities and remunerated accordingly for their contributions to the Group.



# 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 30 June 2008.

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

During the financial year ended 30 June 2008, a total of 6,443,725 options over ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme ("ESOS") and a total of 8,471 warrants were exercised pursuant to the Company's Warrants 2004/2008.

## 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 30 June 2008.

## 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 30 June 2008.

## 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 30 June 2008 amounted to RM632,000.

## 6. VARIATION IN RESULTS

There was no variance of 10% or more between the audited results for the financial year ended 30 June 2008 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 30 June 2008.

## 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 30 June 2008:-

- (a) Shareholders Agreement dated 27 June 2008 between SunwayMas Sdn Bhd ("SunwayMas"), a wholly-owned subsidiary of the Company and Sunway City Berhad ("SunCity") for the purpose of recording the understanding of the co-operation and joint venture of the parties via Sunway Real Estate (China) Limited, a joint venture company registered in Hong Kong Special Administrative Region, to undertake a property development project on a piece of land located in Jiangyin, China and other projects in future.

### Relationship of Related Party for item (a) above

Tan Sri Dato' Seri Dr Cheah Fook Ling is a Director and Major Shareholder of the Company and SunCity. He has deemed interest in SunwayMas via the Company.

## 9. REVALUATION POLICY ON LANDED PROPERTIES

The Company has not adopted a revaluation policy on its landed properties.

## 10. STATEMENT BY AUDIT COMMITTEE IN RELATION TO THE ALLOCATION OF OPTIONS OVER ORDINARY SHARES PURSUANT TO THE COMPANY'S ESOS

In accordance with Bylaw 4.6 of the ESOS Bylaws, the Company had appointed the Group Internal Audit to verify the allocation of options over ordinary shares to the Group's eligible employees in compliance with the criteria set out in the ESOS Bylaws, as part of the Company's annual audit.

With the assistance of Group Internal Audit's audit verification, the Audit Committee is satisfied that the allocation of options over ordinary shares pursuant to the Company's ESOS during the financial year ended 30 June 2008, has complied with the criteria set out in the ESOS Bylaws.

## 11. SHARE BUY-BACK

During the financial year ended 30 June 2008, a total of 21,185,700 ordinary shares of RM1.00 each were purchased by the Company and retained as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

Monthly Breakdown	No. of Shares Purchased and Retained as Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost* (RM)
		Lowest	Highest		
February 2008	4,246,500	1.32	1.41	1.37	5,813,134.94
March 2008	11,944,300	1.23	1.41	1.34	16,032,744.16
April 2008	1,103,000	1.36	1.46	1.40	1,544,551.53
May 2008	2,178,500	1.38	1.46	1.45	3,157,928.84
June 2008	1,713,400	1.15	1.40	1.25	2,139,578.36
<b>Total:</b>	<b>21,185,700</b>			<b>1.35</b>	<b>28,687,937.83</b>

\* Inclusive of transaction cost

# INVESTOR RELATIONS

## Pursuing Investor Awareness and Open Communication

With the rapid globalisation and expansion strategy undertaken by Sunway during recent years, Sunway continued to enhance its Investor Relations ("IR") programme. The Group's goal is to provide investors with relevant and valuable information to help them make informed decisions. Sunway also continued with its commitment to the principles of good corporate governance and accountability.

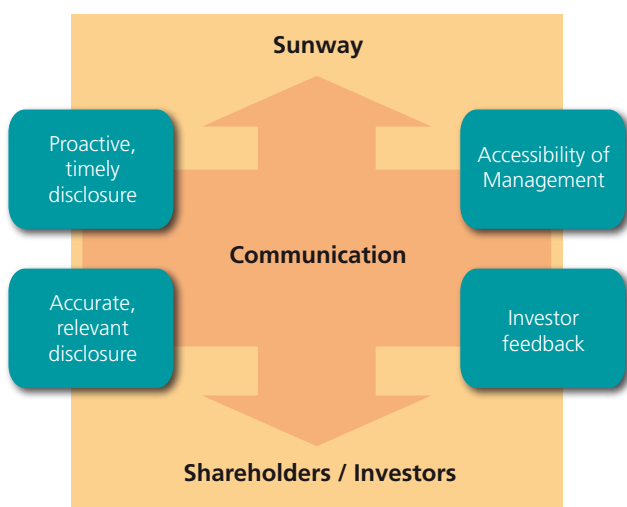
As new developments and financial results are reported, investors are able to better understand the fundamental strengths and prospects of Sunway.

## Investor Relations Programme

Various communication channels were employed to provide accurate and timely disclosure of corporate information. These include:

- > Printed materials (annual reports and press releases)
- > Electronic (quarterly reports on Bursa Malaysia website and analyst briefing notes via emails)
- > Oral communication (general meetings, group analyst meetings, one-on-one meetings, conference presentations and investor tours)

Sunway's website, <http://www.sunway.com.my> provides an alternative up-to-date communication channel for both institutional and retail investors.



Sharing a light moment with Fund Managers

Research institutions covering Sunway are as follows:-

#### Institutions

HwangDBS Vickers Research  
Affin-UOB Securities  
ECM Libra  
RHB Research Institute  
CLSA Securities  
UBS Investment Research  
Aseambankers

#### Investor Relations Calendar for FYE2008

Apart from the numerous one-on-one and group analyst meetings held during the FYE2008, Sunway participated in several forums and road-shows.

Events	Venue	Date
1. CLSA Asean Forum	Bangkok	November 2007
2. Aseambankers Malaysian Corporate Day	Singapore & Hong Kong	October 2007
3. JP Morgan Malaysia Corporate Access Day	Singapore & Hong Kong	October 2007
4. UBS Malaysia Corporate Day	Singapore	January 2008
5. CLSA Asian Building Material Access Day	Singapore & Hong Kong	February 2008
6. ECM Libra Luncheon	Kuala Lumpur	June 2008

#### Investor Relations Portal

As part of Bursa Malaysia's efforts to enhance the practice of IR amongst listed companies in Malaysia, Bursa Malaysia formed the Malaysian Investor Relations Association which raises greater awareness and understanding on the importance of IR. Sunway participated in the Investor Relations Incentive Programme ("IRIP"), an IR portal which gives exposure through distribution channels such as the internet and print media.

In addition to the corporate website, more detailed corporate, financial and stock information could be obtained from the website, <http://sunway.listedcompany.com>.

The results of the IRIP could be seen with close to 400,000 number of hits recorded for the period from October 2007 to June 2008.



Group Meeting



Presenting to Fund Managers



# Financial Performance

Turnover (RM'm)

PATMI (RM'm)

EPS (sen)

SIB Effect (RM'm)

Adj. PAT (RM'm)

Adj. EPS (sen)

Net Operating Profit

Operating Profit

0.95

0.95





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# DIRECTORS' REPORT

The Directors are pleased to submit their report to the members together with the audited financial statements of the Group and Company for the financial year ended 30 June 2008.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of turnkey, construction related design and build, civil engineering, building works, manufacturing and trading of building materials, trading and distribution of construction related products, quarrying, property development and trading of pharmaceutical products.

There was no significant change in the principal activities of the Group and Company during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	102,217	39,255

## DIVIDENDS

There were no dividends on ordinary shares paid by the Company since 30 June 2007.

At the forthcoming Annual General Meeting, a final dividend comprising 2.34% per share less 25% income tax and tax exempt dividend of 0.50% per share, in respect of the financial year ended 30 June 2008, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2009.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## ISSUE OF SHARES

During the financial year, the following new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options over ordinary shares pursuant to the Company's Employees' Share Options Scheme ("ESOS"):

Number of new ordinary shares	Exercise price per share
5,279,850	RM1.00
959,125	RM1.21
182,000	RM1.75
22,750	RM1.88

During the financial year, 8,471 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of warrants at an exercise price of RM1.30 per share.

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

## SHARES BUYBACK

During the financial year, the Company had repurchased a total of 21,185,700 ordinary shares of RM1.00 each of its issued share capital from the open market at prices ranging from RM1.15 to RM1.46 per share. The total consideration paid for the repurchase, including transaction cost was RM29.3 million and was financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

## DIRECTORS' REPORT (cont'd)

### EMPLOYEES' SHARE OPTION SCHEME

On 7 November 2002, the Company implemented an ESOS to the eligible employees (including Executive Directors) of the Company and its subsidiaries. The ESOS is governed by the by-laws which were approved by the shareholders on 3 October 2002.

Details of the ESOS are set out in Note 30 (iii) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia pursuant to Section 169 (11) of the Companies Act, 1965 from having to disclose the names of Directors and persons to whom options over ordinary shares have been granted during the financial year and details of their holdings except for persons who have options over ordinary shares of 600,000 and above, which are as follows:

Name of employees	Exercise price/share RM	Options over ordinary shares of RM1.00 each			
		At 1.7.2007	Granted	Exercised	At 30.6.2008
Yap Chin Leong	1.00	700,000	0	(100,000)	600,000
Lee Yu Ban	1.00	670,000	0	(40,000)	630,000
Wong Fook Chai	1.00	660,000	0	(50,000)	610,000
Ng Boon Liang	1.00	600,000	0	0	600,000
Phang Koon Tuck	1.58	600,000	0	0	600,000
Mok Sew Wah	1.58	600,000	0	0	600,000

### DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Tan Sri Dato' Seri Dr Cheah Fook Ling  
Dato' Chew Chee Kin  
Yau Kok Seng  
Dato' Tan Kia Loke  
Kwan Foh Kwai  
Wong Chin Mun  
Datuk Low Seng Kuan  
Datuk Abdul Malek Bin Abdul Aziz  
Koong Wai Seng  
Mark Victor Rozario

(Appointed on 15.4.2008)

(Resigned on 15.4.2008)

In accordance with Article 114 of the Company's Articles of Association, Dato' Tan Kia Loke and Yau Kok Seng, retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

In accordance with Article 120 of the Company's Articles of Association, Koong Wai Seng, who was appointed during the year, retires at the forthcoming Annual General Meeting of the Company and, being eligible, offers himself for election.

Datuk Abdul Malek Bin Abdul Aziz, who is over the age of seventy years, retires at the forthcoming Annual General Meeting in accordance with Section 129 of the Companies Act, 1965 ("the Act") and offers himself for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting.

## DIRECTORS' REPORT (cont'd)

### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except for options over ordinary shares granted to certain Directors of the Company pursuant to the Company's ESOS as disclosed in Note 8 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any deemed benefits that may accrue to a Director by virtue of transactions negotiated between the Group and companies in which the Director has significant equity interests as disclosed in Note 40 to the financial statements.

### DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares, options over ordinary shares and warrants in the Company and its related corporation are as follows:

Company	Number of ordinary shares of RM1.00 each			
	As at 1.7.2007	Bought	Sold	As at 30.6.2008
<b>Direct interest</b>				
Tan Sri Dato' Seri Dr Cheah Fook Ling	16,002,094	0	0	16,002,094
Dato' Chew Chee Kin	910,000	0	(17,300)	892,700
Yau Kok Seng	690,000	0	0	690,000
Dato' Tan Kia Loke	275,000	0	0	275,000
Kwan Foh Kwai	660,000	0	0	660,000
Wong Chin Mun	10,000	0	0	10,000
Datuk Abdul Malek Bin Abdul Aziz	3,000	0	0	3,000
<b>Deemed interest</b>				
Tan Sri Dato' Seri Dr Cheah Fook Ling <sup>1</sup>	221,278,677	0	0	221,278,677
Datuk Low Seng Kuan <sup>2</sup>	100,000	200,000	(100,000)	200,000
Kwan Foh Kwai <sup>2</sup>	110,000	300,000	0	410,000

Company	Options over ordinary shares of RM1.00 each			
	As at 1.7.2007	Granted	Exercised	As at 30.6.2008
Tan Sri Dato' Seri Dr Cheah Fook Ling	2,500,000	0	0	2,500,000
Dato' Chew Chee Kin	1,000,000	0	0	1,000,000
Dato' Tan Kia Loke	1,000,000	0	0	1,000,000
Yau Kok Seng	1,000,000	0	0	1,000,000
Wong Chin Mun	0	50,000	0	50,000
Datuk Abdul Malek Bin Abdul Aziz	0	50,000	0	50,000
Datuk Low Seng Kuan	0	50,000	0	50,000

## DIRECTORS' REPORT (cont'd)

### DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS (cont'd)

	Warrants 2004/2008			
	As at 1.7.2007	Bought	Sold	As at 30.6.2008
<b>Direct interest</b>				
Tan Sri Dato' Seri Dr Cheah Fook Ling	2,870,732	0	0	<b>2,870,732</b>
Dato' Chew Chee Kin	990,000	270,000	0	<b>1,260,000</b>
Dato' Tan Kia Loke	446,455	0	0	<b>446,455</b>
Wong Chin Mun	3,500	0	0	<b>3,500</b>
Datuk Abdul Malek Bin Abdul Aziz	1,050	0	0	<b>1,050</b>
<b>Deemed interest</b>				
Tan Sri Dato' Seri Dr Cheah Fook Ling <sup>3</sup>	91,937,807	0	0	<b>91,937,807</b>
Kwan Foh Kwai <sup>2</sup>	150,000	0	0	<b>150,000</b>

	Number of ordinary shares of HK \$1.00 each			
	As at 1.7.2007	Bought	Sold	As at 30.6.2008
<b>Related corporation</b>				
<b>Sunway Global Limited</b>				
<b>Direct interest</b>				
Dato' Chew Chee Kin	869,684	0	0	<b>869,684</b>
Yau Kok Seng	820,456	0	0	<b>820,456</b>

#### Footnote

<sup>1</sup> Deemed interest by virtue of his substantial shareholdings in Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd and Sungei Way Corporation Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and him being associated to his spouse and children.

<sup>2</sup> Deemed interest by virtue of him being associated to his spouse.

<sup>3</sup> Deemed interest by virtue of his substantial shareholdings in Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd and Sungei Way Corporation Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and him being associated to his children.

By virtue of Tan Sri Dato' Seri Dr Cheah Fook Ling's interests in the Company as shown above, he is deemed to have interest in the shares of the subsidiaries and associates to the extent that those shares are held by the Company.

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- (a) 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
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

## DIRECTORS' REPORT (cont'd)

### STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the income statements and Note 6, Note 26, Note 35 and Note 37 to the financial statements; and
- (b) except as disclosed in Note 42 to the financial statements, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

### SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The significant event that occurred subsequent to balance sheet date is disclosed in Note 42 to the financial statements.

### AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 14 October 2008.



**YAU KOK SENG**  
MANAGING DIRECTOR



**KOONG WAI SENG**  
FINANCE DIRECTOR



# INCOME STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Revenue	4	<b>1,825,203</b>	1,896,541	<b>41,021</b>	37,557
Cost of sales	5	<b>(1,479,061)</b>	(1,587,768)	<b>(17,720)</b>	(14,517)
Gross profit		<b>346,142</b>	308,773	<b>23,301</b>	23,040
Other operating income		<b>33,416</b>	42,750	<b>38,298</b>	7,402
Distribution costs		<b>(39,842)</b>	(30,046)	<b>0</b>	0
Administrative expenses		<b>(181,212)</b>	(166,555)	<b>(7,869)</b>	(3,390)
Other operating expenses		<b>(21,609)</b>	(32,814)	<b>(3,599)</b>	(2,591)
Reversal of impairment losses/ (impairment losses)	6	<b>440</b>	(8,386)	<b>236</b>	(92)
		<b>137,335</b>	113,722	<b>50,367</b>	24,369
Finance income	9	<b>6,058</b>	8,691	<b>3,741</b>	3,188
Finance cost	9	<b>(46,658)</b>	(46,440)	<b>(26,389)</b>	(24,001)
Share of results of jointly controlled entities	19	<b>9,974</b>	(1)	<b>0</b>	0
Associates:					
- Share of results	17	<b>10,625</b>	(7,864)	<b>0</b>	0
- Financial liability	26	<b>0</b>	(50,000)	<b>0</b>	(50,000)
- Reversal of impairment losses/ (impairment losses)	6	<b>11,188</b>	(430)	<b>11,188</b>	(16,497)
Profit/(loss) before tax	7	<b>128,522</b>	17,678	<b>38,907</b>	(62,941)
Taxation	10	<b>(26,305)</b>	(21,510)	<b>348</b>	(900)
Profit/(loss) for the financial year		<b>102,217</b>	(3,832)	<b>39,255</b>	(63,841)
Attributable to:					
Equity holders of the Company		<b>100,155</b>	(9,383)	<b>39,255</b>	(63,841)
Minority interests		<b>2,062</b>	5,551	<b>0</b>	0
Profit/(loss) for the financial year		<b>102,217</b>	(3,832)	<b>39,255</b>	(63,841)
Profit/(loss) per share attributable to ordinary equity holders of the Company (sen):					
- Basic	11(a)	<b>18.53</b>	(1.74)		
- Diluted	11(b)	<b>16.97</b>	(1.74)		

# BALANCE SHEETS

## AS AT 30 JUNE 2008

		Group		Company	
	Note	2008	2007	2008	2007
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	328,511	281,201	99	0
Investment properties	14	3,876	3,876	0	0
Rock reserve		1,789	1,810	0	0
Prepaid land lease payments	15	16,427	13,251	0	0
Investments in subsidiaries	16	0	0	703,904	686,307
Loan to a subsidiary	16	0	0	20,029	23,512
Interest in associates	17	49,185	39,949	0	0
ABS Senior Notes and other investments	18	11,080	1,619	10,149	2,217
Interest in jointly controlled entities	19	55,253	45,279	0	0
Loan to jointly controlled entity	19	35,308	31,652	0	0
Receivables	23	11,468	7,757	0	0
Land held for property development	20(a)	68,988	52,757	0	0
Goodwill	21	125,991	116,011	0	0
Deferred tax assets	28	14,853	15,019	0	0
		722,729	610,181	734,181	712,036
CURRENT ASSETS					
Property development costs	20(b)	61,260	5,751	0	0
Inventories and completed development properties	22	292,132	304,544	0	0
Tax recoverable		27,863	17,571	15,005	8,676
Receivables	23	775,916	901,544	42,556	38,308
Deposits, bank and cash balances	24	142,445	205,216	13,958	19,819
		1,299,616	1,434,626	71,519	66,803
Less: CURRENT LIABILITIES					
Payables	25	637,398	686,972	132,738	140,276
Financial liability	26	0	50,000	0	50,000
Borrowings:					
- bank overdrafts	27	24,951	39,359	0	0
- others	27	230,898	501,751	41,721	288,800
Current tax liabilities		13,134	18,309	0	0
		906,381	1,296,391	174,459	479,076
NET CURRENT ASSETS/ (LIABILITIES)		393,235	138,235	(102,940)	(412,273)
Less: NON-CURRENT LIABILITIES					
Borrowings	27	455,576	93,357	320,013	7,600
Deferred tax liabilities	28	15,204	15,427	0	0
ABS Senior Notes	29	0	90,846	0	0
		470,780	199,630	320,013	7,600
		645,184	548,786	311,228	292,163

BALANCE SHEETS  
AS AT 30 JUNE 2008 (cont'd)

		Group			Company
	Note	2008	2007	2008	2007
		RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
CAPITAL AND RESERVES					
Share capital	30	547,959	541,507	547,959	541,507
Warrants	31	8,777	8,777	8,777	8,777
Treasury shares		(28,742)	(54)	(28,742)	(54)
Share premium		195,493	195,123	195,493	195,123
Capital reserves		34,137	34,137	0	0
Merger relief reserve		49,615	49,615	49,615	49,615
Foreign currency reserve		(920)	(10,659)	0	0
Share option reserve		1,676	0	1,676	0
Accumulated losses		(209,558)	(309,713)	(463,550)	(502,805)
Equity attributable to equity holders of the Company		598,437	508,733	311,228	292,163
Minority interest		46,747	40,053	0	0
TOTAL EQUITY		645,184	548,786	311,228	292,163

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Attributable to equity holders of the Company

Note	Share capital (Note 30) RM'000	Treasury shares (Note 30(ii)) RM'000	Warrants RM'000	Share premium RM'000	* Capital reserves RM'000	** Merger relief reserve RM'000	Foreign currency reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 July 2006 (as previously stated)	540,367	(54)	8,777	195,112	34,137	49,615	(10,745)	(300,779)	516,430	27,579	544,009
- effects of adopting FRS112	0	0	0	0	0	0	0	449	449	0	449
At 1 July 2006 (as restated)	540,367	(54)	8,777	195,112	34,137	49,615	(10,745)	(300,330)	516,879	27,579	544,458
Currency translation differences	0	0	0	0	0	0	86	0	86	533	619
Income recognised directly in equity	0	0	0	0	0	0	86	0	86	533	619
Loss for the financial year	0	0	0	0	0	0	0	(9,383)	(9,383)	5,551	(3,832)
Total recognised income and expense for the financial year	0	0	0	0	0	0	86	(9,383)	(9,297)	6,084	(3,213)
Additional shares acquired from minority shareholders	0	0	0	0	0	0	0	0	0	(1,477)	(1,477)
Additional shares acquired by minority shareholders	0	0	0	0	0	0	0	0	0	7,136	7,136
Incorporation of subsidiaries	0	0	0	0	0	0	0	0	0	4,566	4,566
Dividend attributable to minority shareholders	0	0	0	0	0	0	0	0	0	(3,835)	(3,835)
Issue of share: - exercise of options over ordinary shares	1,140	0	0	11	0	0	0	0	1,151	0	1,151
At 30 June 2007	541,507	(54)	8,777	195,123	34,137	49,615	(10,659)	(309,713)	508,733	40,053	548,786

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

Attributable to equity holders of the Company

Note	Share capital (Note 30) RM'000	Treasury shares (Note 30(ii)) RM'000	Warrants RM'000	Share premium RM'000	* Capital reserves RM'000	** Merger relief reserve RM'000	Foreign currency reserve RM'000	Share option reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 July 2007 (as previously stated)	541,507	(54)	8,777	195,123	34,137	49,615	(10,659)	0	(310,539)	507,907	40,053	547,960
- effects of adopting FRS 112	0	0	0	0	0	0	0	0	826	826	0	826
At 1 July 2007 (as restated)	541,507	(54)	8,777	195,123	34,137	49,615	(10,659)	0	(309,713)	508,733	40,053	548,786
Currency translation differences	0	0	0	0	0	0	9,739	0	0	9,739	1,923	11,662
Income recognised directly in equity	0	0	0	0	0	0	9,739	0	0	9,739	1,923	11,662
Profit for the financial year	0	0	0	0	0	0	0	0	100,155	100,155	2,062	102,217
Total recognised income and expense for the financial year	0	0	0	0	0	0	9,739	0	100,155	109,894	3,985	113,879
Additional shares acquired from minority shareholders	0	0	0	0	0	0	0	0	0	0	(6,011)	(6,011)
Additional shares acquired by minority shareholders	0	0	0	0	0	0	0	0	0	0	11,580	11,580
Acquisition of new subsidiaries	0	0	0	0	0	0	0	0	0	0	1,393	1,393
Disposal of a subsidiary	0	0	0	0	0	0	0	0	0	0	(1,914)	(1,914)
Dividend attributable to minority shareholders	0	0	0	0	0	0	0	0	0	0	(2,339)	(2,339)
New ESOS granted	0	0	0	0	0	0	0	1,685	0	1,685	0	1,685
Issue of share:												
- exercise of options over ordinary shares	6,444	0	0	367	0	0	0	(9)	0	6,802	0	6,802
- exercise of warrants	8	0	0	3	0	0	0	0	0	11	0	11
Repurchase of shares	0	(28,688)	0	0	0	0	0	0	0	(28,688)	0	(28,688)
<b>At 30 June 2008</b>	<b>547,959</b>	<b>(28,742)</b>	<b>8,777</b>	<b>195,493</b>	<b>34,137</b>	<b>49,615</b>	<b>(920)</b>	<b>1,676</b>	<b>(209,558)</b>	<b>598,437</b>	<b>46,747</b>	<b>645,184</b>

\* Capital reserves represents Group's share of post acquisition capital reserves in associates and accretion in the value of investments in subsidiaries arising from internal restructuring.

\*\* Merger relief reserve represents premium on the issue of shares for the acquisition of the remaining shares in Sunway Construction Sdn Bhd ("SunCor") in accordance with Section 60(4) of Companies Act, 1965



# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Note	Non-distributable					Accumulated losses RM'000	Total RM'000
		Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	* Merger relief reserve RM'000		
At 1 July 2006		540,367	(54)	8,777	195,112	49,615	(438,964)	354,853
Loss for the financial year		0	0	0	0	0	(63,841)	(63,841)
Issue of shares: - exercise of options over ordinary shares	30(iii)	1,140	0	0	11	0	0	1,151
At 30 June 2007		541,507	(54)	8,777	195,123	49,615	(502, 805)	292, 163

	Note	Non-distributable					Accumulated losses RM'000	Total RM'000
		Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	Share option reserve RM'000		
At 1 July 2007		541,507	(54)	8,777	195,123	0	(502,805)	292,163
Profit for the financial year		0	0	0	0	0	39,255	39,255
New ESOS granted		0	0	0	0	1,685	0	1,685
Issue of shares: - exercise of options over ordinary shares	30(iii)	6,444	0	0	367	(9)	0	6,802
- exercise of warrants		8	0	0	3	0	0	11
Repurchase of shares	30(ii)	0	(28,688)	0	0	0	0	(28,688)
<b>At 30 June 2008</b>		<b>547,959</b>	<b>(28,742)</b>	<b>8,777</b>	<b>195,493</b>	<b>1,676</b>	<b>(463,550)</b>	<b>311, 228</b>

\* Merger relief reserve represents premium on the issue of shares for the acquisition of the remaining shares in Sunway Construction Sdn Bhd ("SunCon") in accordance with Section 60(4) of Companies Act, 1965.

# CASH FLOW STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		2,212,516	1,774,846	17,898	14,590
Cash paid to suppliers and employees		(2,007,682)	(1,643,491)	(22,419)	(16,724)
Cash from operations		204,834	131,355	(4,521)	(2,134)
Tax paid		(40,252)	(33,084)	0	0
Tax refund		1,109	8,654	0	6,524
Interest received		4,385	1,713	0	0
Dividends received from subsidiaries		0	0	17,020	7,678
Net cash flow from operating activities		170,076	108,638	12,499	12,068
INVESTING ACTIVITIES					
Proceeds from disposal of warrants in an associated company		1,188	0	1,188	0
Proceeds from disposal of other investments		1,458	4,833	2,402	0
Proceeds from disposal of assets held for resale		0	53	0	0
Proceeds from disposal of property, plant and equipment		3,144	1,220	0	187
Purchase of property, plant and equipment <sup>(1)</sup>		(78,054)	(64,977)	(86)	0
Payment for prepaid land lease		(3,585)	(4,944)	0	0
Purchase of additional shares in subsidiaries		(9,332)	(1,710)	(6,377)	(2,735)
Purchase of subsidiaries	35(e)	(15,076)	(5,326)	(9,682)	(3,459)
Payment of remaining purchase consideration for previously acquired subsidiaries		(5,108)	(3,137)	0	0
Purchase of other investments		(5)	(44)	0	0
Investment in jointly controlled entity		0	(682)	0	0
Advances to subsidiaries		0	0	(58,462)	(11,295)
Repayment of advances to subsidiaries		0	0	(112,360)	(14,993)
Advances to jointly controlled entity		0	(32,353)	0	0

CASH FLOW STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
INVESTING ACTIVITIES (cont'd)					
Advances from minority shareholder of a subsidiary		662	563	0	0
Advances from subsidiaries		0	0	144,326	99,741
Repayment of advances from subsidiaries		0	0	42,945	3,561
Dividends received from associates		1,040	0	0	0
Net cash flow from disposal of a subsidiaries	35(f)	(2,489)	0	0	0
Settlement of financial liability	26	(50,000)	0	(50,000)	0
Net cash flow from investing activities		(156,157)	(106,504)	(46,106)	71,007
FINANCING ACTIVITIES					
Repayment of hire purchase and lease		(1,081)	(2,319)	0	0
Hire purchase and lease obtained		412	1,807	0	0
Proceeds from issue of shares:					
- exercise of options over ordinary shares		6,802	1,151	6,802	1,151
- exercise of warrants		11	0	11	0
Subscription of shares by minority interest		10,265	5,527	0	0
Dividends paid to minority interest		(2,339)	(5,601)	0	0
Bank borrowings drawdown		603,886	339,867	198,921	0
Repayment of bank borrowings		(511,852)	(323,914)	(133,700)	(72,800)
Repayment of ABS Senior Notes		(93,520)	0	0	0
Repurchase of Shares		(28,688)	0	(28,688)	0
Interest received		4,006	5,427	4,981	7,580
Interest paid		(41,555)	(39,702)	(20,581)	(21,665)
Net cash flow from financing activities		(53,653)	(17,757)	27,746	(85,734)

CASH FLOW STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(39,734)	(15,623)	(5,861)	(2,659)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		158,410	176,009	19,819	22,478
FOREIGN CURRENCY TRANSLATION DIFFERENCES		(1,182)	(1,976)	0	0
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	24	117,494	158,410	13,958	19,819

<sup>(1)</sup> Additions of property, plant and equipment (Note 13) during the financial year were acquired by way of:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash	78,054	64,977	86	0
Hire purchase and finance lease arrangements	0	3,962	0	0
Movement in property, plant and equipment creditor	5,970	13,044	16	0
Acquisition of subsidiaries				
- hire-purchase	0	0	0	0
- non hire-purchase	9,088	971	0	0
- quarry development expenditure	1,570	0	0	0
	94,682	82,954	102	0

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

## A BASIS OF PREPARATION

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with the Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires Directors to exercise their judgment in the process of applying the Group's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(a) Standards, amendments to published standards and interpretations that are effective

The new accounting standards, amendments to published standards and IC Interpretations to existing standards effective for the Group's and Company's financial year beginning on 1 July 2007 are as follows:

- FRS 6 Exploration for and Evaluation of Mineral Resources
- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 112 Income Taxes
- FRS 117 Leases
- FRS 118 Revenue
- Amendment to FRS 119<sub>2004</sub> Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures – in relation to the “asset ceiling” test
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- Amendment to FRS 121 – The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operations
- FRS 124 Related Party Disclosures
- FRS 134 Interim Financial Reporting
- FRS 137 Provision, Contingent Liabilities and Contingent Assets
- IC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC 2 Members' Shares in Co-operative Entities and Similar Instruments
- IC 5 Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
- IC 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IC 7 Applying the Restatement Approach under 129<sub>2004</sub> Financial Reporting in Hyperinflationary Economies
- IC 8 Scope of FRS 2

The Group and Company has adopted the new accounting standards, amendments to published standards and IC interpretations that are relevant to the Group and Company. All changes in accounting policies have been made in accordance with the transition provisions in the respective standards, amendments to published standards and interpretations. All standards, amendments and interpretations adopted by the Group and Company require retrospective application other than IC 8 which requires retrospective application subject to the transitional provision of FRS 2. FRS 2 requires retrospective application for all equity instruments granted after 31 December 2004 and not vested at 1 July 2006.

A summary of the impact of the new accounting standards, amendments to published standards and IC interpretations to the existing standards on the financial statements of the Group and Company is set out in Note 37.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### A BASIS OF PREPARATION (cont'd)

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted

The Group has not early adopted FRS 139 Financial Instruments: Recognition and Measurement (effective for accounting period beginning on or after 1 January 2010). The Group will apply this standard when effective. The Group has applied the transitional provision in FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the financial statements of the Group.

### B BASIS OF CONSOLIDATION

Economic entities in the Group

#### (i) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities (including special purpose entities) in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting. Under this method, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition (other than costs of issuing shares and other capital instruments – see accounting policy Notes R (ii) and T (i)).

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of the acquisition is reflected as goodwill. See accounting policy Note F (i) on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

When more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to the previously held interests of the Group is accounted for as revaluation.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal (including the cumulative amount of any exchange differences that relate to the subsidiary) and is recognised in the consolidated income statement.

#### (ii) Transactions with the minority interests

For purchases of a subsidiary's equity shares from minority interests for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or negative goodwill.

Disposals of equity shares to minority interests for cash consideration and at fair value result in gains and losses for the Group and are recorded in the income statement. The gain or loss is the difference between the Group's share of net assets immediately before and immediately after the disposal and a rateable portion of goodwill is realised.

For purchases or disposals from or to minority interests for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the subsidiary and its shareholders.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### B BASIS OF CONSOLIDATION (cont'd)

#### (ii) Transactions with the minority interests (cont'd)

The difference between the Group's share of net assets immediately before and immediately after the change in stake and any consideration received or paid is adjusted to or against the Group's reserves.

All other changes in stakes and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

#### (iii) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. (See accounting policy Note Q)

The Group's share of its associates' post acquisition profits or losses is recognised in the income statement and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those adopted by the Group.

#### (iv) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one of more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post-acquisition results of jointly controlled entities in the income statement and its share of post-acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

### C PROPERTY, PLANT AND EQUIPMENT

#### (i) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### C PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### (i) Property, plant and equipment (cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. All other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets, to their residual values over their estimated useful lives, summarised as follows:

Buildings	2% to 33%
Plant and machinery	6.25% to 20%
Motor vehicles	10% to 20%
Furniture, fittings and office equipment	5% to 33%

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Residual values and useful lives of assets are reviewed, and adjusted, if appropriate, at each balance sheet date. The Group carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note Q on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the assets disposed and are included in profit/loss from operations.

#### (ii) Quarry development expenditure

Quarry development expenditure is stated at cost less accumulated amortisation and impairment losses.

Expenses incurred on the development of quarry face are capitalised and amortised based on actual production volume over the estimated reserves available from the quarry face developed.

Where an indication of impairment exists, the carrying value of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note Q on impairment of non-financial assets.

### D INVESTMENT PROPERTIES

Investment properties, comprising principally freehold lands, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any impairment losses. Freehold land is not depreciated as it has an infinite life.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

### E INVESTMENTS

Investments in subsidiaries, associates and jointly controlled entities are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note Q on impairment of non-financial assets.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### E INVESTMENTS (cont'd)

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the financial year in which the decline is identified.

Marketable securities (within current assets) are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of marketable securities are credited/charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the income statement.

### F INTANGIBLE ASSETS

#### (i) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries and associates over the fair value of the Group's share of the identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries occurring on or after 1 January 1995 are included in the balance sheet as intangible assets.

Goodwill is tested annually for impairment and is carried at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGU) for purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note Q on impairment of non-financial assets.

Negative goodwill represents the excess of the Group's interest in the fair value of identifiable net assets and liabilities over cost of acquisition, and is recognised directly in the income statement at the date of acquisition.

Goodwill on acquisitions of jointly controlled entities and associates occurring on or after 1 January 1995 is included in investments in jointly controlled entities and associates respectively. Such goodwill is tested for impairment under FRS136 by comparing the entire carrying amount of the investment with its recoverable amount.

#### (ii) Rock reserves

Rock reserves are amortised based on annual extraction rates over the estimated life of the reserves, with the maximum period of amortisation capped at 80 years.

### G INVENTORIES, COMPLETED DEVELOPMENT PROPERTIES AND ASSETS HELD FOR RESALE

#### (i) Inventories

Inventories consist of raw materials, work in progress, finished goods, trading goods, consumable stocks and spare parts. Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, appropriate proportions of overheads and is determined on the weighted average method. Net realisable value of finished goods, trading goods, consumable stocks and spare parts is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

Completed development properties are stated at the lower of cost and net realisable value. The cost of completed development properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities. The net realisable value of completed development properties is based on the estimated selling price in the ordinary course of business, less selling expenses.

#### (ii) Properties classified as assets held for resale

Inventories consist of properties classified as assets held for resale and are stated at the lower of carrying amount and fair value less costs to sell.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### H CONSTRUCTION CONTRACTS

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Construction costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably, contract revenue are recognised by using the stage of completion method. The stage of completion is measured by reference to the proportion of the value of work performed to date as certified by the architects over total contract revenue.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable; contract costs are recognised when incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under receivables, deposits and prepayments (within current assets). Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables (within current liabilities).

### I PROPERTY DEVELOPMENT ACTIVITIES

#### (i) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, incidental costs of acquisition, development expenditure and interest costs to put the land in a condition ready for development. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note Q on impairment of non-financial assets.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

#### (ii) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are recognised when incurred. When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method based on architect certification to end purchasers.

When the outcome of the 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; property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

When revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under receivables, deposits and prepayments (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### J TRADE RECEIVABLES

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Allowance for doubtful debtors is estimated based on a review of all outstanding amounts as at the financial year end.

Bad debts are written off in the financial year in which they are identified.

### K LEASES

#### (i) Accounting by lessee

##### Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the estimated useful life of the asset and the term of the lease.

##### Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the lease period.

Leasehold land which was previously classified under property, plant and equipment is now classified as prepaid land lease payments as non-current asset.

The prepaid land lease payments' lease period range between 50 to 99 years.

#### (ii) Accounting by lessor

##### Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of interest on the balance outstanding. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Lease income is recognised over the term of the lease on a straight line basis.

##### Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to the lessee) is recognised on the straight line basis over the lease term.

### L CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### M FOREIGN CURRENCIES

#### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### (iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### N REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- Revenue on construction contracts is recognised based on stage of completion. The stage of completion is measured by reference to the proportion of the value of work performed to date as certified by the architects over total contract revenue.
- Sales of goods are recognised upon delivery of goods and customer acceptance, net of value added sales tax and discounts.
- Revenue from development properties is recognised on the percentage of completion method based on architects' certification to end purchasers.
- Interest on lease and hire purchase are recognised as income on the 'Rule of 78' basis.
- Dividend income from investments is recognised when the shareholders' right to receive payment is established.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### **N REVENUE RECOGNITION** (cont'd)

- (vi) Management fees and rental income from completed development properties and assets held for resale is recognised on an accrual basis.
- (vii) Interest income is recognised on an accrual basis, unless collectibility is in doubt.
- (viii) Revenue from services rendered is recognised net of service taxes and discounts as and when services are performed.

### **O BLOCK DISCOUNTING CHARGES**

Block discounting charges are dealt with through the income statement on the 'Rule of 78' basis.

### **P FINANCIAL INSTRUMENTS**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### **(i) Financial instruments recognised on the balance sheet**

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

#### **(ii) Financial instruments not recognised on the balance sheet**

The Group is a party to financial instruments that include interest rate swap agreements. These instruments are not recognised in the financial statements on inception.

Interest rate swap contracts

Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowing are taken to the income statement.

#### **(iii) Fair value estimation for disclosure purposes**

In assessing the fair value of financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair value of quoted investments is based on quoted market prices at the balance sheet date and the fair value of other unquoted investments is based on a combination of projected future cash flow and realisable net assets value.

The fair values of financial assets and liabilities are estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Q IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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-generating units). Non-financial assets other than goodwill that suffered an impairment loss previously are reviewed for possible reversal of the impairment loss at each date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

### R SHARE CAPITAL

#### (i) Classification

Ordinary shares with discretionary dividends are classified as equity. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

#### (ii) Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax from the proceeds.

#### (iii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities in the period in which they are declared. Dividends proposed after balance sheet date, but before the financial statements are authorised for issue, are not recognised as liabilities at the balance sheet date.

#### (iv) Repurchase of shares

Shares repurchased by the Company are held as treasury shares and the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from shareholders' equity until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external costs and the related tax effects, is included in shareholders' equity.

### S 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.

### T BORROWINGS

#### (i) Classification

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

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 balance sheet date.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### T BORROWINGS (cont'd)

#### (ii) Capitalisation of borrowing cost

Borrowing costs incurred to finance property development activities and construction contracts are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

### U INCOME TAX

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, or associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

### V EMPLOYEE BENEFITS

#### (i) Short term employee benefits

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees (including Executive Directors) of the Group.

#### (ii) Post-employment benefits – defined contribution plan

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the countries in which it operates. These benefits plans are defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Companies incorporated in Malaysia contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. The Group's contributions to the EPF are charged to the income statement in the financial period to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### V EMPLOYEE BENEFITS (cont'd)

#### (iii) Share based compensation

Details of the Group's ESOS are set out in Note 30(iii) to the financial statements. The ESOS, an equity-settled, share-based compensation plan, allows the Company's employees to acquire ordinary shares of the Company. 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 the assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Company 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 income statement, 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.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

### W SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and return that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

### X CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combinations, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in Note 39 to the financial statements.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of FRS 137<sub>2004</sub> and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118<sub>2004</sub>.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*cont'd*)

### **Y PROVISIONS**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provision is not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

## 1 GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group consist of turnkey, construction related design and build, civil engineering and building works, manufacturing and trading of building materials, trading and distribution of construction related product, quarrying, property development and trading and pharmaceutical products.

The number of employees of the Group and Company at the end of the financial year was 3,354 (2007: 3,503) and 113 (2007: 110) persons respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the principal place of business and registered office of the Company is as follows:

Level 16, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including:

- foreign currency exchange risk - risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates
- interest rate risk - risk that the value of a financial instrument will fluctuate due to changes in market interest rates
- credit risk - risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss
- cash flow risk - risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value
- liquidity risk (funding risk) - risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial management policies. The Board of Directors regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

### Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk as a result of foreign currency transactions entered into in currencies other than its functional currency. The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency or whenever possible, by intragroup arrangements and settlements.

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled (see Note 41).

Exchange gains and losses on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

### Interest rate risk

The Group and Company's income and operating cash flows are substantially independent of changes in the market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt financial instruments (see Note 27). Short term debt instruments are used, where appropriate, to generate a desired interest rate profile.

## 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### Credit risk

The Group manages its credit risk through adherence to the Group's established policies on credit control which involve a comprehensive credit evaluation, setting up appropriate credit limits, obtaining adequate security in support of the credit exposure, ensuring that sales are made to customers with good credit history and regular review of customers' outstanding balances and payment trends. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group generally has no significant concentrations of credit risk and the Group's historical experience in collection of trade receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

The Company has given guarantees to certain subsidiaries and related companies for banking facilities (see Note 39). The Directors are of the view that such credit risk is minimal in view of the stability of the subsidiaries' financial position.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available (see Note 27).

## 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the financial statements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant effect the carrying amounts of assets and liabilities are outlined below.

### **(a) Construction contracts**

The Group recognises contract profits based on the stage of completion method. The stage of completion of a construction contract is determined based on the proportion that the contract costs incurred for work performed to-date bear to the estimated total costs for the contract. When it is probable that the estimated total contract costs of a contract will exceed the total contract revenue of the contract, the expected loss on the contract is recognised as an expense immediately.

Significant judgment is required in the estimation of total contract costs. Where the actual total contract costs is different from the estimated total contract costs, such difference will impact the contract profit/(losses) recognised.

### **(b) Impairment of goodwill**

The Group tests goodwill for impairment annually in accordance with its accounting policy. (See accounting policy Note Q on impairment of non-financial assets). More regular reviews are performed if events indicate that this is necessary.

For the purposes of assessing impairment, goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Significant judgment is required in the estimation of the present value of future cash flows generated by the cash-generating units, which involve uncertainties and are significantly affected by assumptions used and judgment made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of goodwill. (See Note 21 Goodwill on judgment and assumptions made).

### **(c) Income taxes**

The Group is subject to income taxes numerous jurisdictions. Significant judgment is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (con't)

#### (d) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

#### (e) Impairment of investment in associates

The Group tests investment in associates for impairment annually in accordance with its accounting policy. (See accounting policy Note Q on impairment of non-financial assets). More regular reviews are performed if events indicate that this is necessary.

Significant judgment is required in the estimation of the present value of future cash flows generated by the associates, which involve uncertainties and are significantly affected by assumptions used and judgment made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in associates. (See Note 17 Interests in associates on judgment and assumptions made).

### 4 REVENUE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contracts	961,201	1,256,128	0	0
Sale of goods and properties	790,775	551,478	0	0
Property development	39,066	52,025	0	0
Lease and hire purchase	4,501	1,576	0	0
Dividend income (gross) from: - subsidiaries	0	0	23,000	22,485
Rendering of services and others	29,660	35,334	18,021	15,072
	1,825,203	1,896,541	41,021	37,557

### 5 COST OF SALES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contracts	718,162	1,002,995	0	0
Cost of goods and properties sold	717,464	525,384	0	0
Property development cost	12,308	30,542	0	0
Lease and hire purchase	1,493	1,229	0	0
Cost of services rendered and others	29,634	27,618	17,720	14,517
	1,479,061	1,587,768	17,720	14,517



## 6 REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Reversal of impairment losses/(impairment losses) in respect of investments in:				
- Subsidiaries (Note 16)				
- Unquoted shares	0	0	0	(80)
- Other investments (Note 18)				
- Unquoted investments	236	(95)	236	(12)
- Inventories and assets held for resale	251	(4,857)	0	0
- Property, plant and equipment	(47)	(3,434)	0	0
	440	(8,386)	236	(92)
- Associates (Note 17)				
- Unquoted shares	10,000	(430)	10,000	0
- Quoted shares	0	0	0	(16,497)
- Quoted warrants	1,188	0	1,188	0
	11,188	(430)	11,188	(16,497)
	11,628	(8,816)	11,424	(16,589)

The Group has recognised net reversal of impairment losses for inventories and assets held for resale of RM0.3 million in the current financial year. In the prior financial year, RM4.9 million impairment losses were recognised due to a shortfall in the carrying value of certain properties held by its subsidiaries when compared to the prevailing market value.

In the prior financial year, impairment loss provision was mainly for idle plant and machinery of a subsidiary operating in the construction segment of RM3.5 million.

The Company wrote back impairment of its investments in Sunway Infrastructure Berhad ("SunInfra") redeemable preference shares of RM10 million in the current financial year. The Company impaired its investments in SunInfra shares of RM16.5 million in the prior financial year due to a shortfall in the carrying value when compared to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**7 PROFIT/(LOSS) BEFORE TAX**

	<b>Group</b>		<b>Company</b>
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>
			<b>2007 RM'000</b>
(a) Expenses by nature			
Cost of sales (excluding depreciation, staff costs, rental of plant, machinery and office premises)	<b>1,433,310</b>	1,535,068	<b>17,720</b>
Auditors' remuneration:			14,517
- fees for statutory audits			
- Company's auditors	<b>876</b>	712	<b>190</b>
- other auditors	<b>535</b>	521	<b>0</b>
- under-provision in previous year	<b>0</b>	350	<b>0</b>
- fees for other services			
- Company's auditors	<b>497</b>	297	<b>84</b>
- other auditors	<b>135</b>	0	<b>0</b>
Allowance for doubtful debts:			
- trade and non trade	<b>4,764</b>	10,616	<b>0</b>
- amounts due from subsidiaries	<b>0</b>	0	<b>0</b>
Allowance for inventory obsolescence	<b>1,186</b>	4,238	<b>0</b>
Bad debts written off:			
- trade	<b>427</b>	348	<b>0</b>
Directors' fees (Note 8)	<b>54</b>	54	<b>54</b>
Exchange losses:			
- unrealised	<b>4,918</b>	7,685	<b>1,343</b>
- realised	<b>40</b>	1,200	<b>4</b>
Hire of plant and machinery	<b>3,729</b>	3,344	<b>0</b>
Loss on disposal of subsidiary (Note 35)	<b>1,468</b>	0	<b>0</b>
Inventories written off	<b>399</b>	1,432	<b>0</b>
Property, plant and equipment:			
- depreciation (Note 13)	<b>42,078</b>	38,584	<b>3</b>
- amortisation of quarry development expenditure (Note 13)	<b>375</b>	122	<b>0</b>
- written off (Note 13)	<b>2,297</b>	884	<b>0</b>
- loss on disposal	<b>654</b>	391	<b>0</b>
Amortisation of rock reserves	<b>21</b>	0	<b>0</b>
Amortisation of prepaid land lease payments (Note 15)	<b>409</b>	165	<b>0</b>
Rental of land and buildings	<b>3,843</b>	9,608	<b>0</b>
Travelling and transport	<b>19,188</b>	12,974	<b>615</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**7 PROFIT/(LOSS) BEFORE TAX** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
(a) Expenses by nature (cont'd)				
Related costs of syndicated term loan and shares buyback	3,933	1,003	3,933	1,003
Debt repayment for previously disposed subsidiary	2,246	0	2,246	0
Staff costs (including Directors' Remuneration (Note 8)):				
- wages, salaries and bonuses	122,308	114,117	0	0
- national defined contribution plan	9,172	7,871	0	0
- social security fund	1,486	787	0	0
- ESOS (Note 30(iii))	1,685	0	53	0
- other employee benefits	14,929	11,292	0	0
Goodwill written off	0	3	0	0
Other expenses	44,762	53,517	2,943	1,760
Total expenses *	1,721,724	1,817,183	29,188	20,498
* Total expenses consist of cost of sales, distribution costs, administrative expenses and other operating expenses.				
(b) The following amounts have been credited in arriving at profit/(loss) for the year:				
Bad debts recovered				
- trade	585	235	0	0
- amount due from a subsidiary	0	0	33,750	0
Exchange gain:				
- unrealised	4,046	3,902	0	44
- realised	4,955	1,131	0	3
Gain on disposal of other investments	484	4,359	0	0
Gain on disposal of property, plant and equipment	1,560	2,953	0	0
Gain on disposal of non-current assets held for resale	0	40	0	0
Gain on redemption of ABS Senior Notes	0	0	98	0
Negative goodwill arising from acquisition of a subsidiary	0	699	0	0
Negative goodwill arising from additional investment in a subsidiary	856	0	0	0
Rental income from land and buildings	2,491	3,793	0	0
Write back of allowance for doubtful debts:				
- trade	2,766	3,845	0	0
- amount due from a subsidiary	0	0	2,449	7,305
Waiver of debt by a subsidiary	0	0	141	0
Corporate advisory fee	1,500	0	1,500	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 8 DIRECTORS' REMUNERATION

The Directors of the Company in office during the year are as follows:

Non-executive Directors

Dato' Tan Kia Loke  
Kwan Foh Kwai  
Wong Chin Mun  
Datuk Low Seng Kuan  
Datuk Abdul Malek Bin Abdul Aziz

Executive Directors

Tan Sri Dato' Seri Dr Cheah Fook Ling  
Dato' Chew Chee Kin  
Yau Kok Seng  
Koong Wai Seng (Appointed on 15.4.2008)  
Mark Victor Rozario (Resigned on 15.4.2008)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
The aggregate amount of emoluments received/receivable by Directors of the Company during the financial year were as follows:				
Non-executive Directors*:				
- salaries and bonuses	1,389	1,377	0	0
- estimated money value of benefits-in-kind	86	82	0	0
- national defined contribution plan	175	174	0	0
- ESOS	53	0	53	0
- other benefits	68	68	0	0
Non-executive Director:				
- fees (Note 7)	54	54	54	54
- other emoluments	34	26	34	26
Executive Directors:				
- salaries and bonuses	3,252	2,364	3,252	2,364
- estimated money value of benefits-in-kind	139	133	139	133
- national defined contribution plan	404	292	404	292
- other benefits	111	68	111	68
	5,765	4,638	4,047	2,937

\* Directors' remuneration in respect of certain Non-executive Directors who are Executive Directors of a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**8 DIRECTORS' REMUNERATION** (cont'd)

Executive Directors of the Company have been granted options over ordinary shares under the ESOS on the same terms and conditions of those offered to other employees of the Group (see Note 30(iii)) as follows:

Grant date	Expiry date	Exercise price RM/share	Number of options over ordinary shares			
			At start of financial year '000	Granted '000	Resigned '000	At end of financial year '000
<u>30.6.2008</u>						
7.11.2002	6.11.2012	1.00	5,200	0	(700)	4,500
<u>30.6.2007</u>						
7.11.2002	6.11.2012	1.00	5,200	0	0	5,200
					2008 '000	2007 '000
Number of options over ordinary shares vested at balance sheet date					4,500	5,200

**9 FINANCE INCOME AND COST**

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Finance income				
Interest income from:				
- Advances to subsidiaries	0	0	3,145	2,548
- Deposits with licensed bank	3,874	2,275	287	347
- Fixed deposits	269	1,464	156	140
- Customer late payment	747	696	0	0
- Advances to subcontractors	0	2,448	0	0
- Compulsory land acquisition	265	1,206	0	0
- Others	903	602	153	153
	<b>6,058</b>	8,691	<b>3,741</b>	3,188
Finance cost				
Interest expense on:				
- Bank borrowings	(36,478)	(33,851)	(18,181)	(20,032)
- Advances from subsidiaries	0	0	(7,113)	(3,969)
- ABS Senior Notes	(6,717)	(6,270)	0	0
- Advances from external parties	(726)	(2,548)	0	0
- Others	(2,737)	(3,771)	(1,095)	0
	<b>(46,658)</b>	(46,440)	<b>(26,389)</b>	(24,001)
Net finance cost	<b>(40,600)</b>	(37,749)	<b>(22,648)</b>	(20,813)



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**10 TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>(Restated) RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax:				
- Malaysian tax	<b>14,335</b>	22,058	<b>(348)</b>	900
- Foreign tax	<b>12,325</b>	4,110	<b>0</b>	0
Deferred tax (Note 28)	<b>(355)</b>	(4,658)	<b>0</b>	0
	<b>26,305</b>	21,510	<b>(348)</b>	900
Current tax:				
- Current financial year	<b>28,738</b>	31,168	<b>45</b>	707
- Benefit from previously unrecognised tax losses	<b>0</b>	(981)	<b>0</b>	0
- (Over)/under accrual in prior financial years (net)	<b>(2,078)</b>	(4,019)	<b>(393)</b>	193
Deferred tax:				
- Origination and reversal of temporary differences	<b>(453)</b>	(677)	<b>0</b>	0
- Under/(over) accrual in prior financial years	<b>98</b>	(3,981)	<b>0</b>	0
	<b>26,305</b>	21,510	<b>(348)</b>	900

The explanation of the relationship between taxation and profit/(loss) before tax is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>%</b>	<b>Restated %</b>	<b>%</b>	<b>%</b>
Numerical reconciliation between the average effective tax rate and the Malaysian tax rate				
Malaysian tax rate	<b>26</b>	27	<b>26</b>	27
Tax effects of:				
- small and medium enterprises tax rate of 20%/ foreign tax rate	<b>(2)</b>	(2)	<b>0</b>	0
- expenses not deductible for tax purposes	<b>6</b>	184	<b>8</b>	(30)
- income not subject to tax	<b>(6)</b>	(59)	<b>(34)</b>	2
- utilisation of tax incentives	<b>0</b>	(2)	<b>0</b>	0
- current year tax loss not recognised	<b>0</b>	35	<b>0</b>	0
- temporary differences not recognised	<b>(1)</b>	2	<b>0</b>	0
- previously unrecognised tax losses	<b>(2)</b>	(5)	<b>0</b>	0
- previously unrecognised temporary differences	<b>0</b>	(19)	<b>0</b>	0
- over accrual in prior financial years (net)	<b>(2)</b>	(44)	<b>(1)</b>	0
- substantively enacted changes in statutory tax rate for YA2008 and subsequent years	<b>0</b>	12	<b>0</b>	0
- different tax rates in other countries	<b>1</b>	(7)	<b>0</b>	0
Average effective tax rate	<b>20</b>	122	<b>(1)</b>	(1)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**10 TAXATION** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<u>Tax losses</u>				
Tax savings from the utilisation of tax losses brought forward from previous years for which the related credit is recognised during the financial year	<b>2,090</b>	981	<b>0</b>	0

**11 EARNINGS PER SHARE**

**(a) Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares.

	<b>2008</b>	<b>Group 2007 (Restated)</b>
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<b>100,155</b>	(9,383)
Weighted average number of ordinary shares in issue ('000)	<b>540,390</b>	540,323
Basic earnings/(loss) per share (sen)	<b>18.53</b>	(1.74)

**(b) Diluted earnings per share**

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares: options over ordinary shares granted to employees and warrants. The terms of the options over ordinary shares and unexercised warrants are set out in Note 30(iii) and 31 to the financial statements respectively.

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares and share options granted to employees.

	<b>2008</b>	<b>Group 2007 (Restated)</b>
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<b>100,155</b>	(9,383)
Weighted average number of ordinary shares in issue ('000)	<b>540,390</b>	540,323
Effects of dilution of share options and warrants ('000)	<b>49,702</b>	0
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<b>590,092</b>	540,323
Diluted earnings/(loss) per share (sen)	<b>16.97</b>	(1.74)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 12 DIVIDENDS

At the forthcoming Annual General Meeting, a final dividend comprising 2.34% per share less 25% income tax and tax exempt dividend of 0.50% per share, in respect of the financial year ended 30 June 2008, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2009.

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 tax credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 tax credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 tax credits to pay single tier dividends under the special transitional provisions of the Finance Act, 2007.

## 13 PROPERTY, PLANT AND EQUIPMENT

	At 1.7.2007 (Restated) RM'000	Foreign currency reserve RM'000	Written off RM'000	Acquisition of subsidiaries RM'000	Additions RM'000	Disposals RM'000	Transfers*/ Reclassifications RM'000	At 30.6.2008 RM'000
<b>Group</b>								
<b>Cost</b>								
<b>Purchased assets</b>								
Freehold land	25,714	0	0	0	0	0	0	25,714
Buildings	117,723	(340)	(14)	615	4,341	(296)	(227)	121,802
Total land and buildings	143,437	(340)	(14)	615	4,341	(296)	(227)	147,516
Plant and machinery	323,187	(233)	(8,112)	2,749	40,306	(5,533)	1,277	353,641
Motor vehicles	42,261	(737)	(2,368)	5,028	2,758	(1,209)	129	45,862
Furniture, fittings and office equipment	38,927	(108)	(3,317)	696	4,202	(1,724)	158	38,834
Quarry development expenditure	1,319	0	0	1,570	432	0	0	3,321
Capital work-in- progress	15,983	615	0	0	26,284	0	(398)	42,484
	565,114	(803)	(13,811)	10,658	78,323	(8,762)	939	631,658
<b>Assets acquired under finance lease and hire purchase agreements</b>								
Plant and machinery	33,846	167	(48)	0	4,921	0	(1,039)	37,847
Motor vehicles	5,545	12	(95)	0	680	(26)	(116)	6,000
Furniture, fittings and office equipment	7,185	6	0	0	100	0	(99)	7,192
	46,576	185	(143)	0	5,701	(26)	(1,254)	51,039
	611,690	(618)	(13,954)	10,658	84,024	(8,788)	(315)	682,697

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**13 PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	At 1.7.2007 (Restated) RM'000	Foreign currency reserve RM'000	Written off RM'000	Charge for the financial year RM'000	Released on disposals RM'000	Transfers*/ Reclassifications RM'000	At 30.6.2008 RM'000
<b>Group</b> (cont'd)							
<b>Accumulated depreciation</b>							
<b>Purchased assets</b>							
Buildings	34,445	(412)	(8)	3,937	(234)	(1)	37,727
Plant and machinery	205,295	317	(6,649)	27,516	(3,005)	(468)	223,006
Motor vehicles	37,669	(392)	(1,820)	2,253	(1,208)	184	36,686
Furniture, fittings and office equipment	31,313	(113)	(3,137)	2,940	(2,077)	404	29,330
Quarry development expenditure	242	0	0	375	0	0	617
Capital work-in-progress	0	118	0	0	0	0	118
	308,964	(482)	(11,614)	37,021	(6,524)	119	327,484
<b>Assets acquired under finance lease and hire purchase agreements</b>							
Plant and machinery	6,415	25	(6)	4,295	0	(34)	10,695
Motor vehicles	2,691	8	(37)	576	(26)	(227)	2,985
Furniture, fittings and office equipment	6,410	0	0	561	0	(2)	6,969
	15,516	33	(43)	5,432	(26)	(263)	20,649
	324,480	(449)	(11,657)	42,453	(6,550)	(144)	348,133
<b>Accumulated impairment losses</b>							
Plant and machinery	5,164	0	0	8	0	0	5,172
Furniture, fittings and office equipment	0	0	0	36	0	0	36
Capital work-in-progress	845	0	0	0	0	0	845
	6,009	0	0	44	0	0	6,053

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**13 PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	At 1.7.2006 (Restated) RM'000	Foreign currency reserve RM'000	Written off RM'000	Acquisition of subsidiaries RM'000	Additions RM'000	Disposals RM'000	Transfers*/ Reclassifications RM'000	At 30.6.2007 (Restated) RM'000
<b>Group</b> (cont'd)								
<b>Cost</b>								
<b>Purchased assets</b>								
Freehold land	25,024	0	0	690	0	0	0	25,714
Buildings	113,605	(725)	(62)	39	18,723	(2,986)	(10,871)	117,723
Total land and buildings	138,629	(725)	(62)	729	18,723	(2,986)	(10,871)	143,437
Plant and machinery	293,176	(1,344)	(1,962)	139	31,370	(8,845)	10,653	323,187
Motor vehicles	42,053	(288)	(102)	84	1,940	(1,722)	296	42,261
Furniture, fittings and office equipment	42,188	(166)	(1,580)	19	3,111	(2,628)	(2,017)	38,927
Quarry development expenditure	1,285	0	0	0	34	0	0	1,319
Capital work-in- progress	6,540	(46)	0	0	10,398	0	(909)	15,983
	523,871	(2,569)	(3,706)	971	65,576	(16,181)	(2,848)	565,114
<b>Assets acquired under finance lease and hire purchase agreements</b>								
Plant and machinery	24,002	(138)	0	0	15,938	(1,482)	(4,474)	33,846
Motor vehicles	6,727	(7)	0	0	376	0	(1,551)	5,545
Furniture, fittings and office equipment	7,070	0	0	0	93	0	22	7,185
	37,799	(145)	0	0	16,407	(1,482)	(6,003)	46,576
	561,670	(2,714)	(3,706)	971	81,983	(17,663)	(8,851)	611,690

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**13 PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	At 1.7.2006 (Restated) RM'000	Foreign currency reserve RM'000	Written off RM'000	Charge for the financial year RM'000	Released on disposals RM'000	Transfers*/ Reclassifications RM'000	At 30.6.2007 (Restated) RM'000
<b>Group</b> (cont'd)							
<b>Accumulated depreciation</b>							
<b>Purchased assets</b>							
Buildings	32,798	(326)	(26)	4,003	(949)	(1,055)	34,445
Total land and buildings	32,798	(326)	(26)	4,003	(949)	(1,055)	34,445
Plant and machinery	186,142	(252)	(1,544)	23,202	(7,115)	4,862	205,295
Motor vehicles	36,520	(137)	(156)	2,557	(1,969)	854	37,669
Furniture, fittings and office equipment	30,804	(89)	(1,096)	2,958	(1,145)	(119)	31,313
Quarry development expenditure	120	0	0	122	0	0	242
	286,384	(804)	(2,822)	32,842	(11,178)	4,542	308,964
<b>Assets acquired under finance lease and hire purchase agreements</b>							
Plant and machinery	8,470	(139)	0	3,009	(641)	(4,284)	6,415
Motor vehicles	2,477	(3)	0	911	0	(694)	2,691
Furniture, fittings and office equipment	4,466	0	0	1,944	0	0	6,410
	15,413	(142)	0	5,864	(641)	(4,978)	15,516
	301,797	(946)	(2,822)	38,706	(11,819)	(436)	324,480
<b>Accumulated impairment losses</b>							
Buildings	3,441	0	0	0	(1,601)	(1,840)	0
Plant and machinery	1,300	0	0	3,864	0	0	5,164
Capital work-in-progress	845	0	0	0	0	0	845
	5,586	0	0	3,864	(1,601)	(1,840)	6,009



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**13 PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	2008 RM'000	2007 (Restated) RM'000
<b>Group</b> (cont'd)		
<b>Net book value</b>		
<b>Purchased assets</b>		
Freehold land	25,714	25,714
Buildings	84,075	83,278
Total land and buildings	109,789	108,992
Plant and machinery	125,463	112,728
Motor vehicles	9,176	4,592
Furniture, fittings and office equipment	9,468	7,614
Quarry development expenditure	2,704	1,077
Capital work-in-progress	41,521	15,138
	298,121	250,141
<b>Assets acquired under finance lease and hire purchase agreements</b>		
Plant and machinery	27,152	27,431
Motor vehicles	3,015	2,854
Furniture, fittings and office equipment	223	775
	328,511	281,201

Freehold land with carrying value of RM21,450,757 (2007: RM21,450,757) at the end of the financial year are pledged as security for term loan facilities (Note 27).

Buildings with carrying value of RM13,854,300 (2007: RM20,314,801) at the end of the financial year are pledged as security for term loan facilities (Note 27).

Plant and machinery with carrying value of RM4,585,096 (2007: RM9,821,290) at the end of the financial year are pledged as security for term loan facilities (Note 27).

\* Certain plant and machinery were transferred to construction work-in-progress during the financial year. In the prior financial year, certain plant and machinery were transferred to inventories under assets held for resale and transferred in from construction work-in-progress.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**13 PROPERTY, PLANT AND EQUIPMENT** (cont'd)

	At 1.7.2007 RM'000	Additions RM'000	At 30.6.2008 RM'000	
Company				
Cost				
Furniture, fittings and office equipment	3	18	21	
Motor vehicle	0	84	84	
	3	102	105	
	At 1.7.2007 RM'000	Charge for the financial year RM'000	At 30.6.2008 RM'000	
Accumulated depreciation				
Furniture, fittings and office equipment	3	0	3	
Motor vehicle	0	3	3	
	3	3	6	
	At 1.7.2006 RM'000	Disposal RM'000	At 30.6.2007 RM'000	
Cost				
Building	280	(280)	0	
Furniture, fittings and office equipment	3	0	3	
	283	(280)	3	
	At 1.7.2006 RM'000	Charge for the financial year RM'000	Disposal RM'000	At 30.6.2007 RM'000
Accumulated depreciation				
Building	20	2	(22)	0
Furniture, fittings and office equipment	2	1	0	3
	22	3	(22)	3
		2008 RM'000	2007 RM'000	
Company				
Net book value				
Building		0	0	
Furniture, fittings and office equipment		18	0	
Motor vehicle		81	0	
		99	0	

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 14 INVESTMENT PROPERTIES

	Group	
	2008 RM'000	2007 RM'000
Investment properties, at cost, at beginning/end of financial year	3,876	3,876

Investment properties comprise 3 pieces of freehold quarry land located in Penang. The total fair values of these properties were estimated at RM4.96 million (2007: RM4.97 million) using discounted cash flow projections based on a pre-tax discount rate of 6.60% (2007: 6.63%).

## 15 PREPAID LAND LEASE PAYMENTS

	Group	
	2008 RM'000	2007 RM'000
<b>Net book value</b>		
At 1 July	13,251	11,210
Additions during the year	3,585	4,944
Reclassification to assets held for resale	0	(2,738)
Amortisation for the financial year (Note 7)	(409)	(165)
At 30 June	16,427	13,251

Leasehold land with net book value of RM3,932,000 at the end of the financial year (2007: RM4,044,000) are pledged as security for term loan facilities (Note 27).

## 16 INTEREST IN SUBSIDIARIES

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost		
At 1 July	755,984	749,449
Acquired during the financial year	16,058	6,575
Disposal	0	0
Written off	0	(40)
Effect of share based payment	1,539	0
At 30 June	773,581	755,984
Less: Accumulated impairment losses	(69,677)	(69,677)
	703,904	686,307
Loan to a subsidiary	23,564	23,512
	23,564	23,512
Total	727,468	709,819

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

In the previous financial year, unquoted shares of a subsidiary with carrying value of RM223,882,232 were pledged as security for term loan facilities (Note 27).

Long term loan which was granted to a subsidiary in the prior financial year is unsecured, bears interest at 6% (2007: 6%) per annum and is repayable in 4 annual instalments commencing 31 December 2008.

	Company			
	2008		2007	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Loan to a subsidiary:				
- Current (Note 23)	3,535	3,535	0	0
- Non-current	20,029	19,362	23,512	22,787
	23,564	22,897	23,512	22,787

Details of the subsidiaries are as follows:

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
Sunway Construction Sdn Bhd	Malaysia	100.00	100.00	Turnkey, construction related design and build, civil engineering and building works
SunwayMas Sdn Bhd	Malaysia	100.00	100.00	Property and housing development
Sunway Keramo Sdn Bhd	Malaysia	100.00	100.00	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products
Sunway Marketing Sdn Bhd	Malaysia	100.00	100.00	Marketing, distribution and sale of construction related products and industrial products
Sunway Marketing (S) Pte Ltd *	Singapore	100.00	100.00	Buying and selling of hose and fittings, building materials, spares and equipments and equipment rental
Sunway Leasing Sdn Bhd (formerly known as Sunway Credit & Leasing Sdn Bhd)	Malaysia	100.00	100.00	Provision of finance through leasing, hire purchase, money lending and share financing
Sunway Risk Management Sdn Bhd	Malaysia	100.00	100.00	General insurance agency providing underwriting and consultancy services
Sunway Management Sdn Bhd	Malaysia	100.00	100.00	Share registration and secretarial services
Sunway Land Sdn Bhd	Malaysia	100.00	100.00	Investment holding
Sunway Holdings (Vietnam) Sdn Bhd	Malaysia	100.00	100.00	Investment holding

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
Amalan Insaf (M) Sdn Bhd *	Malaysia	82.50	82.50	Investment holding
Reptolink Sdn Bhd	Malaysia	100.00	100.00	Investment holding
Sunway Property (China) Ltd *	Hong Kong	100.00	100.00	Investment holding
Shahawan (M) Sdn Bhd	Malaysia	100.00	100.00	Property investment
Galaxy Avenue Sdn Bhd	Malaysia	100.00	100.00	Dormant
Sunway Orient Sdn Bhd	Malaysia	100.00	100.00	Dormant
Sunway Global Limited*	Hong Kong	60.00	60.00	Investment holding and provision of management services
Sunway BPO Sdn Bhd	Malaysia	100.00	100.00	Provision of financial, accounting and information technology services
Sunway Shared Services Centre Sdn Bhd	Malaysia	100.00	100.00	Provision of financial, accounting and information technology services
City Leader Sdn Bhd	Malaysia	100.00	100.00	Dormant
Myanmar Sungei Way Holdings Limited *^	Myanmar	99.90	99.90	Dormant
Synergy Quarry and Asphalt Industries Sdn Bhd * (In liquidation)	Malaysia	70.00	70.00	Dormant
Splendid Era Sdn Bhd	Malaysia	100.00	100.00	Dormant
Sunway Juarasama Sdn Bhd	Malaysia	100.00	100.00	Dormant
ABS Land & Properties Berhad*	Malaysia	100.00	100.00	Implementation of securitisation transactions
Sunway Quarry Industries Sdn Bhd	Malaysia	100.00	100.00	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects
Sunway Pipeplus Technology Sdn Bhd	Malaysia	100.00	100.00	Production of concrete pipes
Sunway Paving Solutions Sdn Bhd	Malaysia	100.00	100.00	Manufacturing and marketing of concrete pavers, hollow concrete blocks and eurotiles, undertake contracts for paving works and the hiring of heavy machinery
Kualiti Klasik Sdn Bhd	Malaysia	100.00	100.00	To sell or otherwise deal in stones, aggregates, premix or other construction related products
Ansa Teknik Holdings Sdn Bhd *	Malaysia	100.00	0	Investment holding
Sunway Quarry Industries (Caribbean) Limited*	Trinidad and Tobago	100.00	0	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
Subsidiaries of Sunway Construction Sdn Bhd:				
- Sunway Innopave Sdn Bhd	Malaysia	100.00	100.00	Construction of civil and building works and provision of project management
- Sunway M&E Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sunway Machinery Sdn Bhd	Malaysia	100.00	100.00	Renting of machinery and site equipment and undertaking sub-contract work
- Binajelata (M) Sdn Bhd	Malaysia	100.00	100.00	Project management and providing technical advisory services
- Identiti Jelata (M) Sdn Bhd	Malaysia	100.00	100.00	Project management, technical advisory services and property management
- Sunway Engineering Sdn Bhd	Malaysia	74.70	74.70	Provision of mechanical and engineering works
- Sunway Builders Sdn Bhd	Malaysia	100.00	100.00	Construction of building and civil works
- Sunway Geotechnics (M) Sdn Bhd (formerly known as Sunway Piling Sdn Bhd)	Malaysia	100.00	100.00	Manufacturing and sales of precast micro injection piles and reinforced concrete piles; undertaking of piling contracts and hire of heavy machineries
- Sunspan Sdn Bhd	Malaysia	100.00	100.00	Construction of building and civil works
- Muhibbah Permai Sdn Bhd	Malaysia	80.00	80.00	Property development
- Target Beam (M) Sdn Bhd	Malaysia	100.00	100.00	Project management, technical advisory services and property management
- Baramatics Sdn Bhd	Malaysia	100.00	100.00	Project management and technical advisory services
- Classvest Realty Sdn Bhd	Malaysia	100.00	100.00	Property investment, project management and providing technical advisory services
- Crosside Realty Sdn Bhd	Malaysia	100.00	100.00	Property investment, project management and providing technical advisory services
- Sunway Industrial Products Sdn Bhd	Malaysia	100.00	100.00	Investment holding
- Sunway Machineries Services Sdn Bhd	Malaysia	100.00	100.00	Investment holding
- Sunway Construction India Pte Ltd *	India	100.00	100.00	Construction of civil and building works
- PT Sunway-Yasa PMI Pile	Indonesia	0	65.00	Design, manufacture, supply and installation of concrete based foundation and other concrete products



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiaries of Sunway Construction Sdn Bhd: (cont'd)</b>				
- Sunway Creative Stones Sdn Bhd	Malaysia	70.00	70.00	Trading of construction materials and general contract work
- Sunway GD Piling Sdn Bhd	Malaysia	100.00	60.00	Piling and foundation works
- Sunway Construction Caribbean Limited*	Trinidad and Tobago	100.00	100.00	Construction of civil and building works
- Sunway Precast Industries Sdn Bhd	Malaysia	100.00	100.00	Manufacturing precast concrete building components, undertaking of precast concrete building contracts and renting of machineries
- Amona Sunway Construction Consortium Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sun-Block (Batang Kali) Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sunway IBS Sdn Bhd (formerly known as ABS Development Sdn Bhd)	Malaysia	70.00	0	Dormant
<b>Subsidiary of Sunway Industrial Products Sdn Bhd:</b>				
- Sunway Concrete Products (S) Pte Ltd *	Singapore	100.00	100.00	Manufacturing and sale of precast concrete building components
<b>Subsidiary of Sunway Concrete Products (S) Pte Ltd:</b>				
- Sunway Developments Pte Ltd*	Singapore	100.00	0	Other investment holding companies and general contractors (building construction including major upgrading works)
<b>Subsidiaries of Sunway Creative Stones Sdn Bhd:</b>				
- Sunway Dimension Stones Sdn Bhd	Malaysia	70.00	70.00	Cutting, profiling and other value-added works on granites, marbles and related natural stones materials
- Sunway Creative Stones (Xiamen) Co. Ltd*	China	70.00	70.00	Trading of construction materials and general contract works

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiaries of Sunway GD Piling Sdn Bhd:</b>				
- Sunway GD Piling (Caribbean) Limited*	Trinidad and Tobago	100.00	60.00	Dormant
<b>Subsidiaries of Sunway Machineries Services Sdn Bhd:</b>				
- Sunway PMI-Pile Construction Sdn Bhd	Malaysia	99.42	99.42	Manufacturing and sales of precast micro injection piles and reinforced concrete piles; undertaking of piling contracts and hire of heavy machineries
- Sunway SK Sdn Bhd	Malaysia	100.00	100.00	Dormant
<b>Subsidiary of Sunway Engineering Sdn Bhd:</b>				
- Sunway Smartek Sdn Bhd	Malaysia	74.70	74.70	Dormant
<b>Subsidiary of Sunway Smartek Sdn Bhd:</b>				
- Sunway Smartek Marketing Sdn Bhd (formerly known as Wind Matrix Solutions Sdn Bhd)	Malaysia	38.10	0	Dormant
<b>Subsidiaries of SunwayMas Sdn Bhd:</b>				
- Sunway Bangi Sdn Bhd	Malaysia	100.00	100.00	Property development
- Mujurmas Sdn Bhd	Malaysia	100.00	100.00	Property development
- Pembangunan Risjaya Sdn Bhd	Malaysia	100.00	100.00	Property development
- Sunway Rawang Heights Sdn Bhd	Malaysia	100.00	100.00	Property development
- Sunway Kanching Heights Sdn Bhd	Malaysia	100.00	100.00	Property development
- Eaglefield Sdn Bhd	Malaysia	100.00	100.00	Property development
- Sunway Greenview Sdn Bhd (formerly known as Mountain Prisma Sdn Bhd)	Malaysia	80.00	80.00	Property and housing development
- Sunway Termuning Sdn Bhd (formerly known as Termuning Development Sdn Bhd)	Malaysia	80.00	80.00	Housing development
- Virgo Rhythm Sdn Bhd	Malaysia	100.00	0	Property and housing development

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiaries of Sunway Quarry Industries Sdn Bhd:</b>				
- Taiping Kuari Sdn Bhd*	Malaysia	100.00	0	To undertake quarry operation, manufacturer or supplier of processed or unprocessed stones, rock materials and other similar products for construction and building works
<b>Subsidiaries of Sunway Marketing Sdn Bhd:</b>				
- Sunway Marketing (East Malaysia) Sdn Bhd	Malaysia	85.00	85.00	Trading in hoses, fittings and industrial products
- Sunway Hose Centre Sdn Bhd	Malaysia	85.00	85.00	Trading in hoses, fittings and hose assembly
- Sunway Architectural Products Sdn Bhd	Malaysia	85.00	85.00	Dormant
- Sun Pharmaceutical Sdn Bhd*	Malaysia	60.00	0	Importing and distribution of pharmaceutical products
<b>Subsidiaries of Sunway Marketing (S) Pte Ltd:</b>				
- PT Sunway Marketing Indonesia *	Indonesia	100.00	100.00	Trading in hydraulic hoses, fittings and industrial products
- Sunway Marketing (Shanghai) Pte Ltd *	China	100.00	100.00	Manufacturing and trading of pipes, hoses and related components
- PT Sunway Trek Masindo *	Indonesia	100.00	100.00	Sale of heavy equipment and related components
- Sunway Marketing (Thailand) Ltd*	Thailand	100.00	100.00	Import, export, wholesale of building materials, heavy equipment and industrial hardware
<b>Subsidiaries of Sun Pharmaceutical Sdn Bhd:</b>				
- Sun Pharmaceutical (S) Pte Ltd*	Singapore	60.00	0	Dormant
- Sunway Pharma Sdn Bhd (formerly known as Renown Horizon Sdn Bhd)*	Malaysia	60.00	0	Retail pharmacy

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiaries of Sunway Leasing Sdn Bhd (formerly known as Sunway Credit &amp; Leasing Sdn Bhd):</b>				
- SWL Nominees (Tempatan) Sdn Bhd	Malaysia	100.00	100.00	Provision of shares nominee services
- Sunway Elite Sdn Bhd	Malaysia	100.00	100.00	To coordinate and provide administration of employees' health care benefits and insurance services
- Sunway Credit Sdn Bhd (formerly known as SWL Factoring Sdn Bhd)	Malaysia	100.00	100.00	Dormant
<b>Subsidiaries of Sunway Land Sdn Bhd:</b>				
- Sungei Way Resources Sdn Bhd	Malaysia	100.00	100.00	Investment holding
- Fortuna Gembira Enterpris Sdn Bhd	Malaysia	100.00	100.00	Investment holding
<b>Subsidiaries of Reptolink Sdn Bhd:</b>				
- Sunway Enterprise (1988) Sdn Bhd	Malaysia	100.00	100.00	Trading and hiring of heavy machinery and spares
- Sunway Hydraulic Industries Sdn Bhd	Malaysia	100.00	100.00	Manufacturing of couplings and assembly of hydraulic hoses
<b>Subsidiaries of Sunway Holdings (Vietnam) Sdn Bhd:</b>				
- Sunway Hatay Construction & Building Materials Co. Ltd *	Vietnam	86.00	86.00	Quarrying and manufacturing of ready-mixed concrete
- Hochimex Nominee Company Limited *	Hong Kong	100.00	100.00	Investment holding
- Sungei Way Ocean Joint Venture Ltd *	Vietnam	70.00	70.00	Quarrying and production of building stones
- Realty Investments (HB) Inc. *	Panama	100.00	100.00	Investment holding
<b>Subsidiary of Hochimex Nominee Company Limited:</b>				
- Sunway Hotel Hanoi Liability Limited Co.*	Vietnam	100.00	71.00	Hotel operations

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiary of Realty Investments (HB) Inc.:</b>				
- Hang Bai Office Complex JVC *	Vietnam	74.00	74.00	Property investment
<b>Subsidiary of Amalan Insaf (M) Sdn Bhd:</b>				
- Sunway Property Sdn Bhd *	Malaysia	82.50	82.50	Dormant
<b>Subsidiary of Sunway Keramo Sdn Bhd:</b>				
- Sunway Pipe Inspection and Repair Services Centre Sdn Bhd	Malaysia	100.00	100.00	Dormant
<b>Subsidiaries of Sunway Paving Solutions Sdn Bhd:</b>				
- Sun-Block (Senai) Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sun-Block (Beranang) Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sunway Cavity Wall Panel Sdn Bhd	Malaysia	100.00	0	Manufacturing and marketing of cavity wall panel
- Sunway Cavity Wall Panel (S) Pte Ltd*	Singapore	100.00	0	Manufacturing and marketing of cavity wall panel
<b>Subsidiary of Ansa Teknik Holdings Sdn Bhd:</b>				
- Ansa Teknik (Melaka) Sdn Bhd*	Malaysia	100.00	0	Quarrying
<b>Subsidiary of ABS Land &amp; Properties Berhad:</b>				
- Coral-White Sdn Bhd*	Malaysia	100.00	100.00	Property investment and investment holding
<b>Subsidiaries of Sunway Global Limited:</b>				
- Sunway Building Materials (Shanghai) Co Ltd*	China	60.00	60.00	Manufacturing, sale and marketing of interlocking pavers
- Sunway Building Materials (Dongguan) Co Ltd*	China	60.00	60.00	Manufacturing, sale and marketing of interlocking pavers
- Sunway Spun Pile (Zhuhai) Co Ltd*	China	48.00	39.42	Design, manufacture and sale of pretensioned spun concrete piles
- Sunway GD Foundation Engineering Co Ltd*	Macau	36.00	36.00	To carry out foundation and construction works

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**16 INTEREST IN SUBSIDIARIES** (cont'd)

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
<b>Subsidiaries of Sunway Global Limited: (cont'd)</b>				
- Sunway Xin Long (Anhui) Hydraulic Co. Ltd*	China	46.80	46.80	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading
- Sunway Trading (Shanghai) Pte Ltd*	China	60.00	60.00	Dormant
<b>Subsidiaries of Sunway Enterprise (1988) Sdn Bhd:</b>				
- Heng Ngai Knitting Manufacturer Sdn Bhd	Malaysia	100.00	100.00	Dormant
- Sungei Way Enterprise (1988) Singapore Pte Ltd *	Singapore	100.00	100.00	Dormant
<b>Subsidiary of Sunway GD Foundation Engineering Co Ltd:</b>				
- Shanghai Xinhetai Construction Ltd*	China	25.20	25.20	To undertake the business of foundation engineering
<b>Subsidiary of Sunway Xin Long (Anhui) Hydraulic Co. Ltd:</b>				
- Sunway Daechang Forging (Anhui) Co. Ltd*	China	28.08	0	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance
<b>Subsidiary of Shanghai Xinhetai Construction Ltd:</b>				
- Shanghai Sunway Geotechnics Engineering Co. Ltd*	China	25.20	0	Undertake geotechnic and foundation engineering through contracting construction projects, installation, leasing and renting of machineries and equipment, marketing and distribution of building materials related products

\* Not audited by PricewaterhouseCoopers, Malaysia.

^ Myanmar Sungei Way Holdings Limited ("MSHL") has been placed under members' voluntary liquidation on 28 June 2001 by a special resolution passed at the Extraordinary General Meeting of MSHL held in June 2001. MSHL was incorporated in Myanmar to carry out general trading but has remained dormant since its inception. The voluntary liquidation of MSHL is undertaken as there is no immediate and foreseeable investment plans in Myanmar in the future.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**17 INTEREST IN ASSOCIATES**

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Quoted:</b>				
Shares at cost	190,367	258,132	0	67,269
Warrants at cost	0	4,753	0	4,753
Share of post-acquisition losses	(2,811)	(70,966)	0	0
Share of non-distributable reserves	(829)	(829)	0	0
Elimination of unrealised profit on contract service rendered	0	(1,804)	0	0
	186,727	189,286	0	72,022
Less: Accumulated impairment losses				
- shares (Note 6)	(143,692)	(144,998)	0	(67,269)
- warrants (Note 6)	0	(4,753)	0	(4,753)
	43,035	39,535	0	0
<b>Unquoted:</b>				
Shares at cost	4,759	14,757	3,406	13,406
Share of post-acquisition profits/(losses)	5,227	(507)	0	0
	9,986	14,250	3,406	13,406
Less: Accumulated impairment losses (Note 6)	(3,836)	(13,836)	(3,406)	(13,406)
	6,150	414	0	0
	49,185	39,949	0	0
Market values of quoted investments:				
- shares	25,477	40,503	0	8,787
- warrants	0	288	0	288
	25,477	40,791	0	9,075

During the financial year, the Company fully disposed its investments in shares and warrants of Sunway Infrastructure Berhad ("SunInfra") upon the settlement of the financial liability (see Note 26) and reversed impairment losses of RM10 million for investments in SunInfra's redeemable preference shares ("RPS").

The cost of investment in the RPS was subsequently reclassified to other investments (see Note 18).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**17 INTEREST IN ASSOCIATES** (cont'd)

The Group's share of revenue, profit, assets and liabilities of associates are as follows:

		<b>Group</b>
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Revenue	<b>109,402</b>	19,491
Profit/(loss) after tax	<b>10,625</b>	(7,864)
Non-current assets	<b>47,645</b>	497,708
Current assets	<b>57,263</b>	49,095
Current liabilities	<b>(54,951)</b>	(70,671)
Non-current liabilities	<b>(772)</b>	(436,183)
Net assets	<b>49,185</b>	39,949

The Group's share of losses in certain associates has been recognised to the extent of the carrying amount of the investments. The cumulative and current year's unrecognised share of losses of associates amounted to RM27,737,000 (2007: RM43,991,000) and RM Nil (2007: RM16,254,000) respectively.

As at 30 June 2008, the carrying value of the Group's investment in quoted shares of an associate was RM43.0 million (2007: RM39.5 million) whilst its market value was RM25.5 million (2007: RM33.6 million), which indicates potential impairment.

The market value of the Group's investment in quoted shares of the associate was computed based on the prevailing market share price as at 30 June 2008. However, based on the value in use computation, the recoverable amount was RM45.2 million (2007: RM43.2 million) and accordingly, the Directors concluded that no impairment loss was required as at 30 June 2008.

The pre-tax cash flow projections used in the value in use computation were based on financial budgets approved by the associate's Board of Directors covering a five-year financial period using an estimated growth rate of 5% (2007: 5%) and are discounted using the asset's specific weighted average cost of capital of 15% (2007: 13%).

If the above cash flow projections had been lower by 1% (2007: 1%) from management's estimate, an impairment loss would have been recognised.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**17 INTEREST IN ASSOCIATES** (cont'd)

Details of the associates are as follows:

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
Sunway Infrastructure Berhad *	Malaysia	0	36.16	Investment holding
Sungei Way-Saigon-Pilecon Engineering Company *	Vietnam	42.30	42.30	Dormant
<b>Associate of Fortuna Gembira Enterpris Sdn Bhd:</b>				
Gopeng Berhad *	Malaysia	19.33	19.33	Cultivation of oil palm, investment holding and property development
<b>Associate of Sunway Juarasama Sdn Bhd:</b>				
Sungei Way Construction (S) Pte Ltd *	Singapore	50.00	50.00	Dormant
<b>Associate of SunwayMas Sdn Bhd:</b>				
Varich Industries Sdn Bhd *	Malaysia	50.00	50.00	Dormant
<b>Associate of Sunway Marketing Sdn Bhd:</b>				
Buildtrend B.S.G. (M) Sdn Bhd *	Malaysia	30.00	30.00	Distribution of architectural building products
<b>Associate of Sunway Builders Sdn Bhd:</b>				
ISZL Consortium*	Unincorporated	25.00	25.00	Construction

\* Not audited by PricewaterhouseCoopers, Malaysia

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**18 ABS NOTES AND OTHER INVESTMENTS**

	<b>Group</b>		<b>Company</b>
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>
ABS Notes (unquoted):			
- Senior Notes	0	0	2,035
Other investments:			
Unquoted investments	13,364	4,107	2,447
Quoted investments	496	0	0
	13,860	4,107	2,447
Less: Accumulated impairment losses:			
- Unquoted investments (Note 6)	(2,483)	(2,488)	(2,265)
- Quoted investments	(297)	0	0
	11,080	1,619	182
	11,080	1,619	2,217
Market values of quoted investments:			
- shares	62	0	0

On 2 April 2004, the Group completed an asset-backed securitisation exercise ("ABS exercise") involving the disposals of the entire equity interest in Coral-White Sdn Bhd, a wholly owned indirect subsidiary of the Company and a portfolio of commercial and residential properties to ABS Land & Properties Berhad ("ALP") for a total sale consideration of RM230.252 million which was satisfied by RM93.651 million cash and the issuance of RM136.601 million nominal value of subordinated class asset-backed securitisation notes ("Subordinated Notes").

Pursuant to the ABS exercise, ALP also issued senior asset-backed securitisation notes ("Senior Notes") to investors in the domestic debt capital markets to finance the cash settlement of the abovementioned acquisitions.

On 4 October 2004, the Company announced that the sale of certain office lots located within Plaza Pantai ("Plaza Pantai"); and certain office units within Subang Square Corporate Tower, Subang Business Park and Subang Square Shopping Gallery ("Subang Offices") had not been completed. Accordingly, an amount of RM10.45 million Senior Notes issued by ALP for the ABS exercise was repaid to the holders of the Senior Notes. Additionally, an amount of RM15.33 million Subordinated Notes issued by ALP to part finance the acquisition of Plaza Pantai and Subang Offices was also cancelled.

During the financial year, the subsidiary elected to early redeem all Senior Notes (Class A, B, C and D) on 2 April 2008, ahead of the mandatory redemption on 4 April 2010. All Senior Notes amounting to RM93.52 million had been redeemed via cash.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**19 INTEREST IN JOINTLY CONTROLLED ENTITIES**

	2008 RM'000	Group 2007 (Restated) RM'000
<b>Unquoted:</b>		
Shares at cost	678	678
Premium on acquisition	5	5
Share of post-acquisition profits/(losses)	9,973	(1)
Share of assets	44,597	44,597
	55,253	45,279
Loan to jointly controlled entity	35,308	31,652
	90,561	76,931

The loan to jointly controlled entity is unsecured, interest-free and has no fixed terms of repayment.

The Group's share of income and expenses, assets and liabilities of the jointly controlled entities are as follows:

	2008 RM'000	Group 2007 RM'000
Income	77,594	0
Expenses	(67,620)	(1)
Profit/(loss) after tax	9,974	(1)
Non-current assets	32	0
Current assets	206,301	57,940
Current liabilities	(40,789)	(12,661)
Non-current liabilities	(110,291)	0
Net assets	55,253	45,279

Details of the jointly controlled entities are as follows:

Name	Country of incorporation	Group's effective interest		Principal activities
		2008 %	2007 %	
Hoi Hup Sunway Development Pte Ltd	Singapore	30.00	30.00	Real estate development
SunCity SunCon Joint Venture	Unincorporated	50.00	50.00	Property development
Sunway Real Estate (China) Limited	Hong Kong	40.00	0	Real estate and property development

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 20 PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

		Group
	2008 RM'000	2007 RM'000
Freehold land, at cost	45,512	29,162
Leasehold land, at cost	4,628	5,270
Development expenditure	18,848	18,325
	68,988	52,757
At beginning of financial year	52,757	66,935
Additions of freehold land, at cost	52,845	812
Additions of leasehold land, at cost	0	1
Development expenditure incurred during the financial year	7,051	2,191
Transfer of land to property development cost (Note 20(b))	(34,903)	0
Transfer of development expenditure to property development costs (Note 20(b))	(8,120)	0
Disposal of leasehold land, at cost	(642)	0
Compulsory acquisition of land	0	(17,182)
At end of financial year	68,988	52,757

(b) Property development costs

			Group
	RM'000	2008 RM'000	2007 RM'000
At beginning of financial year:			
- land	17,423		57,833
- development costs	132,561		310,670
- accumulated cost charged to income statement	(144,233)	5,751	(350,492)
			18,011
Costs incurred during the financial year:			
- transfer of land from land held for property development (Note 20(a))	34,903		0
- transfer of development expenditure from land held for property development (Note 20(a))	8,120		0
- acquisition of land held for property development	3,355		(1,138)
- development costs	25,857	72,235	10,418
			9,280



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**20 PROPERTY DEVELOPMENT ACTIVITIES** (cont'd)

(b) Property development costs (cont'd)

			<b>Group</b>	
	<b>RM'000</b>	<b>2008 RM'000</b>	<b>RM'000</b>	<b>2007 RM'000</b>
Costs charged to income statement		<b>(11,865)</b>		(16,463)
Transferred to inventories		<b>(4,861)</b>		(3,136)
Compulsory acquisition of land		<b>0</b>		(1,941)
Reversal of completed projects:				
- land	<b>(12,105)</b>		(39,272)	
- development costs	<b>(78,114)</b>		(186,586)	
- accumulated cost charged to income statement	<b>90,219</b>	<b>0</b>	225,858	0
At end of financial year:				
- land	<b>43,576</b>		17,423	
- development costs	<b>88,424</b>		132,561	
- accumulated cost charged to income statement	<b>(70,740)</b>		(144,233)	
		<b>61,260</b>		5,751

**21 GOODWILL**

		<b>Group</b>	
		<b>2008 RM'000</b>	<b>2007 RM'000</b>
At beginning of the financial year		<b>116,011</b>	114,100
Acquisition of subsidiaries (Note 35)		<b>9,980</b>	1,911
At end of the financial year		<b>125,991</b>	116,011

During the financial year, additional goodwill arose from the acquisition of Ansa Teknik Holdings Sdn Bhd and Taiping Kuari Sdn Bhd, both 100% owned subsidiaries; net 14.3% acquisition from minority interest of Sunway Spun Pile (Zhuhai) Co Ltd; acquisition of Sun Pharmaceutical Sdn Bhd, a 60% owned subsidiary; and Sunway Termuning Sdn Bhd (formerly known as Termuning Development Sdn Bhd), an 80% owned subsidiary.

The Group's goodwill as at 30 June 2007 comprises goodwill arising from the acquisition of shares in Sunway Construction Sdn Bhd, a 100% owned subsidiary; the acquisition of business by Sunway Creative Stones, a 70% owned subsidiary; the acquisition of 100% shares in Sunway Quarry Industries Sdn Bhd; and the acquisition of Kualiti Klasik Sdn Bhd, a 100% owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**21 GOODWILL** (cont'd)

The carrying amounts of goodwill allocated to the Group's cash-generating units (CGUs) are as follows:

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Quarry	47,029	38,907
Construction	77,104	77,104
Building materials	1,327	0
Trading	527	0
Property development	4	0
	<b>125,991</b>	<b>116,011</b>

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period using estimated growth rates which are based on past performance and their expectations of market developments and are discounted at the pre-tax discount rate of 10% (2007: 8%).

The terminal value is calculated based on the projected net assets of the CGUs at the end of the five years. The net assets of the CGUs at the end of the five years are derived using profits attributable to the equity shareholders after minority interest for the five years.

Cash flows beyond the five-year period have an estimated growth rate of nil.

No impairment loss is expected should the discounted cash flows decline by 5%.

**22 INVENTORIES AND COMPLETED DEVELOPMENT PROPERTIES**

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Completed development properties	30,985	110,279
Raw materials	16,479	15,838
Spare parts	7,314	5,030
Finished goods	76,037	57,652
Work in progress	3,957	6,804
Trading inventories	91,240	83,428
Assets held for resale	66,120	25,513
	<b>292,132</b>	<b>304,544</b>

Certain inventories were pledged as securities for ABS Senior Notes in the prior financial year and the ABS Senior Notes were fully redeemed in the current financial year (Note 29).

In the prior financial year, the Group's completed development properties comprise leasehold land of RM25,750,000 of which the land titles are yet to be transferred to the respective subsidiaries. The land titles were subsequently transferred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 23 RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Non-current assets</b>				
Finance lease debtors	5,578	5,137	0	0
Hire purchase debtors	5,890	2,620	0	0
	11,468	7,757	0	0

The fair values of non-current receivables at balance sheet date were as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease debtors	5,578	5,277	0	0
Hire purchase debtors	5,890	5,488	0	0

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Finance lease debtors	5,137	4,851	0	0
Hire purchase debtors	2,620	2,495	0	0

Non-current receivables are denominated in Ringgit Malaysia and are due within 5 years from balance sheet date. The carrying amounts of non-current receivables were not reduced to their estimated fair values as the Directors are of the opinion that the amounts will be repaid in full on the due date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**23 RECEIVABLES** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Current assets</b>				
Trade receivables (net of allowance for doubtful debts of RM79,947,000 (2007: RM77,239,000) of the Group)	<b>494,354</b>	606,111	<b>0</b>	0
Retention sums (Note 32)	<b>80,848</b>	94,538	<b>0</b>	0
	<b>575,202</b>	700,649	<b>0</b>	0
Finance lease debtors	<b>3,629</b>	4,254	<b>0</b>	0
Hire purchase debtors	<b>3,050</b>	2,722	<b>0</b>	0
Amounts due from customers on contracts (Note 32)	<b>95,627</b>	62,277	<b>0</b>	0
Deposits	<b>13,215</b>	18,630	<b>46</b>	65
Other receivables	<b>62,641</b>	80,219	<b>63</b>	1,016
Prepayments	<b>22,471</b>	25,945	<b>0</b>	3,344
Amounts due from subsidiaries (non-trade) (net of allowance for doubtful debts of RM35,101,000 (2007: RM37,550,000) of the Company)	<b>0</b>	0	<b>38,829</b>	33,800
Loan to a subsidiary	<b>0</b>	0	<b>3,535</b>	0
Amounts due from associates	<b>81</b>	6,848	<b>83</b>	83
	<b>775,916</b>	901,544	<b>42,556</b>	38,308
The currency exposure profile of trade receivables is as follows:				
- Ringgit Malaysia	<b>341,771</b>	500,936	<b>0</b>	0
- Singapore Dollar	<b>76,631</b>	31,618	<b>0</b>	0
- Vietnam Dong	<b>23,106</b>	14,361	<b>0</b>	0
- Indonesian Rupiah	<b>5,316</b>	5,931	<b>0</b>	0
- US Dollar	<b>0</b>	36	<b>0</b>	0
- Renminbi	<b>15,862</b>	1,292	<b>0</b>	0
- Trinidad and Tobago Dollar	<b>15,586</b>	38,921	<b>0</b>	0
- Thai Baht	<b>3,851</b>	2,673	<b>0</b>	0
- India Rupee	<b>12,231</b>	10,343	<b>0</b>	0
	<b>494,354</b>	606,111	<b>0</b>	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**23 RECEIVABLES** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
The currency exposure profile of retention sums is as follows:				
- Ringgit Malaysia	66,946	80,493	0	0
- Singapore Dollar	2,023	1,977	0	0
- Trinidad and Tobago Dollar	8,715	8,749	0	0
- Renminbi	3,164	3,319	0	0
	<b>80,848</b>	<b>94,538</b>	<b>0</b>	<b>0</b>
The currency exposure profile of amounts due from customers on contracts is as follows:				
- Ringgit Malaysia	47,729	33,443	0	0
- India Rupee	33,336	28,834	0	0
- Trinidad and Tobago Dollar	14,562	0	0	0
	<b>95,627</b>	<b>62,277</b>	<b>0</b>	<b>0</b>
The currency exposure profile of deposits is as follows:				
- Ringgit Malaysia	10,896	15,487	46	65
- Singapore Dollar	706	606	0	0
- US Dollar	54	0	0	0
- Vietnam Dong	377	389	0	0
- Indonesian Rupiah	0	11	0	0
- India Rupee	0	339	0	0
- Trinidad and Tobago Dollar	294	467	0	0
- Renminbi	802	1,238	0	0
- Thai Baht	44	38	0	0
- Macau Pataca	42	55	0	0
	<b>13,215</b>	<b>18,630</b>	<b>46</b>	<b>65</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**23 RECEIVABLES** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
The currency exposure profile of other receivables is as follows:				
- Ringgit Malaysia	32,633	32,282	63	1,015
- Singapore Dollar	687	4,212	0	1
- US Dollar	1,131	1,165	0	0
- Vietnam Dong	1,822	1,572	0	0
- Indonesian Rupiah	0	4	0	0
- India Rupee	14,850	33,120	0	0
- Trinidad and Tobago Dollar	2,324	1,612	0	0
- Renminbi	5,288	5,091	0	0
- Hong Kong Dollar	849	954	0	0
- Macau Pataca	2,852	8	0	0
- Thai Baht	205	199	0	0
	<b>62,641</b>	<b>80,219</b>	<b>63</b>	<b>1,016</b>
The currency exposure profile of prepayments is as follows:				
- Ringgit Malaysia	13,391	16,786	0	3,344
- Singapore Dollar	379	5,435	0	0
- Vietnam Dong	547	1,062	0	0
- Indonesian Rupiah	1,029	1,020	0	0
- Trinidad and Tobago Dollar	3,602	122	0	0
- Renminbi	3,523	1,520	0	0
	<b>22,471</b>	<b>25,945</b>	<b>0</b>	<b>3,344</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**23 RECEIVABLES** (cont'd)

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Finance lease debtors:		
Not later than 1 year	<b>4,216</b>	4,841
Later than 1 year and not later than 5 years	<b>6,132</b>	5,584
	<b>10,348</b>	10,425
Less: Unearned interest	<b>(1,141)</b>	(1,034)
	<b>9,207</b>	9,391
Representing finance lease debtors:		
Not later than 1 year	<b>3,629</b>	4,254
Later than 1 year and not later than 5 years	<b>5,578</b>	5,137
	<b>9,207</b>	9,391
Hire purchase debtors:		
Not later than 1 year	<b>3,554</b>	3,043
Later than 1 year and not later than 5 years	<b>6,450</b>	2,823
	<b>10,004</b>	5,866
Less: Unearned interest	<b>(1,064)</b>	(524)
	<b>8,940</b>	5,342
Representing hire purchase debtors:		
Not later than 1 year	<b>3,050</b>	2,722
Later than 1 year and not later than 5 years	<b>5,890</b>	2,620
	<b>8,940</b>	5,342

Amounts due from subsidiaries (non-trade) are denominated in Ringgit Malaysia, unsecured and have no fixed terms of repayment. The weighted average interest rate that was effective as at balance sheet date was 2.99% (2007: 1.94%) per annum.

Amounts due from associates (trade and non-trade) are denominated in Ringgit Malaysia, unsecured, have no fixed terms of repayment and bear no interest.

Credit terms of trade receivables range from 10 days to 120 days (2007: 10 days to 120 days).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 24 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with:				
- licensed banks	41,343	59,590	10,729	9,858
- other licensed financial institutions	14,322	37,295	3,000	8,450
	55,665	96,885	13,729	18,308
Bank and cash balances	86,780	108,331	229	1,511
Deposits, bank and cash balances	142,445	205,216	13,958	19,819
Bank overdrafts (Note 27)	(24,951)	(39,359)	0	0
	117,494	165,857	13,958	19,819
Deposits pledged as security for ABS Senior Notes	0	(7,447)	0	0
	117,494	158,410	13,958	19,819

In the prior financial year, deposits pledged as security for ABS Senior Notes represented proceeds deposited into a Liquidity Reserves Account as well as Expenses and Maintenance Reserves Account in accordance with the terms and conditions of the ABS Senior Notes.

Deposits with licensed banks amounting to RM10,729,000 (2007: RM9,858,000) are to be deposited into a Debt Service Reserve Account as 6 months interest throughout the tenor of the syndicated term loan of RM354,134,000, as disclosed in Note 27 under unsecured borrowings.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
The currency exposure profile of deposits, bank and cash balances are as follows:				
Ringgit Malaysia	78,702	153,787	13,935	19,770
Singapore Dollar	14,668	2,411	0	0
US Dollar	5,862	2,919	14	40
Indonesian Rupiah	453	6,214	0	0
Vietnam Dong	4,430	4,705	0	0
Renminbi	15,519	7,645	9	9
Indian Rupee	5,898	2,232	0	0
Euro	364	0	0	0
Hong Kong Dollar	3,945	9,708	0	0
Japanese Yen	0	2	0	0
Trinidad and Tobago Dollar	6,536	7,392	0	0
Thai Baht	3,702	5,477	0	0
Macau Pataca	2,366	2,723	0	0
Korean Won	0	1	0	0
	142,445	205,216	13,958	19,819

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**24 CASH AND CASH EQUIVALENTS** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
The currency exposure profile of bank overdrafts are as follows:				
- Ringgit Malaysia	(7,232)	(6,871)	0	0
- Singapore Dollar	(12,945)	(15,881)	0	0
- Indian Rupee	(32)	(1,290)	0	0
- US Dollar	(4,742)	(15,317)	0	0
	(24,951)	(39,359)	0	0

The weighted average interest rates per annum of deposits and bank overdrafts that was effective as at balance sheet date were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2008 %</b>	<b>2007 %</b>	<b>2008 %</b>	<b>2007 %</b>
Deposits with licensed banks	2.83	3.99	3.50	3.00
Deposits with other licensed financial institutions	1.59	2.92	3.25	3.18
Bank overdrafts	5.55	6.78	N/A	N/A

Bank balances are deposits held at call with banks and are non-interest bearing.

Deposits, bank and cash balances of the Group at the balance sheet date include bank balances held under Housing Development Account (opened and maintained under Section 7A of the Housing Development (Control and Licensing) Act, 1966) of RM6,640,870 (2007: RM30,358,000) that may only be used in accordance with the said Act.

Deposits of the Group and Company have an average maturity of 52 days (2007: 24 days) and 24 days (2007: 33 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**25 PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Trade payables	457,699	447,013	0	0
Accruals	63,845	78,226	5,720	5,775
Other payables	49,193	62,749	1,266	73
Amounts due to customers on contracts (Note 32)	58,976	88,442	0	0
Progress billings in respect of property development	0	1,032	0	0
Amounts due to:				
- subsidiaries (non-trade)	0	0	125,752	134,428
- associates (trade)	2,780	5,038	0	0
Advance from minority shareholder of a subsidiary	4,905	4,472	0	0
	<b>637,398</b>	<b>686,972</b>	<b>132,738</b>	<b>140,276</b>
The currency exposure profile of trade payables is as follows:				
- Ringgit Malaysia	369,746	353,601	0	0
- Singapore Dollar	26,161	14,702	0	0
- US Dollar	2,574	910	0	0
- Vietnam Dong	11,473	6,880	0	0
- Euro	2,634	(392)	0	0
- Indonesian Rupiah	47	1,595	0	0
- Sterling Pound	92	7	0	0
- Thai Baht	105	33	0	0
- Japanese Yen	140	231	0	0
- India Rupee	23,877	49,922	0	0
- Trinidad and Tobago Dollar	13,801	16,329	0	0
- Hong Kong Dollar	77	81	0	0
- Macau Pataca	0	100	0	0
- Renminbi	6,972	3,014	0	0
	<b>457,699</b>	<b>447,013</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**25 PAYABLES** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
The currency exposure profile of accruals is as follows:				
- Ringgit Malaysia	<b>42,484</b>	54,802	<b>5,720</b>	5,775
- Singapore Dollar	<b>4,842</b>	5,462	<b>0</b>	0
- US Dollar	<b>75</b>	224	<b>0</b>	0
- Vietnam Dong	<b>1,138</b>	3,991	<b>0</b>	0
- Indonesian Rupiah	<b>196</b>	4,001	<b>0</b>	0
- Thai Baht	<b>240</b>	297	<b>0</b>	0
- India Rupee	<b>5,717</b>	6,354	<b>0</b>	0
- Trinidad and Tobago Dollar	<b>2,937</b>	27	<b>0</b>	0
- Renminbi	<b>1,494</b>	2,533	<b>0</b>	0
- Macau Pataca	<b>796</b>	535	<b>0</b>	0
- Hong Kong Dollar	<b>3,926</b>	0	<b>0</b>	0
	<b>63,845</b>	78,226	<b>5,720</b>	5,775
The currency exposure profile for other payables is as follows:				
- Ringgit Malaysia	<b>32,536</b>	29,497	<b>1,266</b>	71
- Singapore Dollar	<b>1,338</b>	2,651	<b>0</b>	0
- US Dollar	<b>1,320</b>	2,529	<b>0</b>	2
- Vietnam Dong	<b>2,943</b>	3,585	<b>0</b>	0
- Euro	<b>0</b>	3,919	<b>0</b>	0
- Indonesian Rupiah	<b>1,016</b>	2,698	<b>0</b>	0
- Sterling Pound	<b>0</b>	41	<b>0</b>	0
- Thai Baht	<b>156</b>	407	<b>0</b>	0
- India Rupee	<b>6,414</b>	8,309	<b>0</b>	0
- Trinidad and Tobago Dollar	<b>1,386</b>	6,613	<b>0</b>	0
- Renminbi	<b>1,779</b>	1,834	<b>0</b>	0
- Hong Kong Dollar	<b>2</b>	439	<b>0</b>	0
- Macau Pataca	<b>303</b>	227	<b>0</b>	0
	<b>49,193</b>	62,749	<b>1,266</b>	73

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**25 PAYABLES** (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
The currency exposure profile for amount due to customers on contracts is as follows:				
- Ringgit Malaysia	58,976	85,538	0	0
- Trinidad and Tobago Dollar	0	2,904	0	0
	58,976	88,442	0	0

Progress billings in respect of property development are denominated in Ringgit Malaysia.

Included in trade and other payables of the Group are amounts due to companies connected to certain Directors amounting to RM1,200,000 (2007: RM674,000) and RM1,710,000 (2007: RM1,464,000) respectively.

Amounts due to subsidiaries are denominated in Ringgit Malaysia, unsecured and have no fixed terms of repayment. The weighted average interest rate that was effective as at balance sheet date was 4.91% (2007: 4.86%) per annum.

Amounts due to associates are denominated in Ringgit Malaysia, unsecured, interest free and have no fixed terms of repayment.

The shareholder advance from the minority shareholder of Sunway GD Foundation Engineering Co Ltd which amounts to RM4,904,558 (2007: RM4,472,451) is denominated in Chinese Renminbi, unsecured, interest free and have no fixed terms of repayment.

Credit terms of trade payables granted to the Group range from 30 days to 180 days (2007: 30 days to 180 days).

**26 FINANCIAL LIABILITY**

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 July	50,000	0	50,000	0
Charged to income statement	0	50,000	0	50,000
Payment made	(50,000)	0	(50,000)	0
At 30 June	0	50,000	0	50,000

Pursuant to the concession agreement entered into between Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd ("SILK"), a wholly-owned subsidiary of SunInfra, which in turn is an associate of the Company, and the Government of Malaysia on 8 October 1997 as amended by a supplemental concession agreement dated 1 August 2001, the Government of Malaysia has awarded to SILK the design, construction, operation and maintenance of the Kajang traffic dispersal ring road including the related toll equipment and ancillary facilities.

For the purposes of part-financing the project by SunInfra, SILK had entered into an arrangement pursuant to the financing procedures in accordance with the Syariah principle of Al-Bai Bithaman Ajil in relation to which, the Company had undertaken to ensure that SILK maintains the required Annual Debt Service Cover ("DSCR") Ratio and the required minimum balances in the Debt Service Reserve Account ("DSRA"). At 30 June 2007, SILK failed to meet the required DSCR ratio. As a consequence, the Al-Bai Bithaman Ajil Islamic Debts Securities ("BaIDS") holders have a right to declare by notice in writing to SILK to demand for immediate repayment of the BaIDS. In view of this, the BaIDS outstanding amount was reclassified as current borrowings in SILK's financial statements as at 30 June 2007.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**26 FINANCIAL LIABILITY** (cont'd)

The management of the Group has been presented with a proposal by Affin Investment Bank Berhad ("Affin Bank Proposal") regarding the restructuring of the BaIDS issued. The proposal includes the Group paying RM50 million cash plus relinquishing all economic right to its 36% equity stake in SunInfra in consideration for the termination/cancellation of its Letter of Undertaking (granted to SILK in favour of the BaIDSholders) as part of the restructuring of the existing BaIDS.

On 17 August 2007, at the Extraordinary General Meeting of the BaIDSholders of SILK, the proposal from Affin Investment Bank Berhad was approved. The Group has settled the compensation of RM50 million on 24 January 2008 in consideration for the termination of the Letter of Undertaking ("LOU") granted to SILK, of which the LOU was terminated on 25 January 2008.

The Group had on 27 February 2008, entered into a conditional Sale and Purchase Agreement with Infra Bumitek Sdn Bhd ("IBSB") and the holders of the Sukuk Mudharabah (that was issued on 25 January 2008 by Manfaat Tetap Sdn Bhd, a wholly-owned subsidiary of SILK to refinance the BaIDS), namely Affin Bank Berhad, CIMB Bank Berhad, Bank Islam Malaysia Berhad, Etiqa Insurance Berhad (formerly known as Malaysia National Insurance Bhd), Etiqa Takaful Berhad (formerly known as Takaful Nasional Sdn Bhd), Uni.Asia General Insurance Berhad and Uni.Asia Life Assurance Berhad ("the Lenders") for the proposed disposal of 65,090,802 ordinary shares of RM0.50 each, representing 36.16% equity interest in SunInfra to IBSB for a total cash consideration of RM11,065,436.34 payable to PB Trustee Services Berhad, the trustee to the Lenders, for subsequent payment to the Lenders via the Ijarah Rental Payment Account pursuant to the terms of the Sukuk Mudharabah. The disposal of shares had been completed on 27 May 2008.

**27 BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Current</b>				
<b>Secured</b>				
Bank overdrafts (Note 24)	11,820	29,089	0	0
Term loans	46,099	60,111	0	0
Finance lease and hire purchase obligations	1,288	1,224	0	0
Bankers' acceptances	16,513	13,549	0	0
Revolving credit	465	0	0	0
	<b>76,185</b>	<b>103,973</b>	<b>0</b>	<b>0</b>
<b>Unsecured</b>				
Bank overdrafts (Note 24)	13,131	10,270	0	0
Term loans	54,908	308,190	34,121	273,600
Bankers' acceptances	51,079	60,789	0	0
Revolving credits	51,490	50,347	7,600	15,200
Block discount creditors	9,056	7,541	0	0
	<b>179,664</b>	<b>437,137</b>	<b>41,721</b>	<b>288,800</b>
	<b>255,849</b>	<b>541,110</b>	<b>41,721</b>	<b>288,800</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Non-current</b>				
<b>Secured</b>				
Term loans	72,139	22,550	0	0
Finance lease and hire purchase obligations	1,106	1,839	0	0
	73,245	24,389	0	0
<b>Unsecured</b>				
Term loans	361,310	42,698	320,013	0
Revolving credits	1,400	11,800	0	7,600
Block discount creditors	19,621	14,470	0	0
	382,331	68,968	320,013	7,600
	455,576	93,357	320,013	7,600
Total borrowings	711,425	634,467	361,734	296,400
<b>Current</b>				
Bank overdrafts (Note 24)	24,951	39,359	0	0
Term loans	101,007	368,301	34,121	273,600
Finance lease and hire purchase obligations	1,288	1,224	0	0
Bankers' acceptances	67,592	74,338	0	0
Revolving credits	51,955	50,347	7,600	15,200
Block discount creditors	9,056	7,541	0	0
	255,849	541,110	41,721	288,800
<b>Non-current</b>				
Term loans	433,449	65,248	320,013	0
Finance lease and hire purchase obligations	1,106	1,839	0	0
Revolving credits	1,400	11,800	0	7,600
Block discount creditors	19,621	14,470	0	0
	455,576	93,357	320,013	7,600

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Total borrowings</b>				
Bank overdrafts (Note 24)	24,951	39,359	0	0
Term loans	534,456	433,549	354,134	273,600
Finance lease and hire purchase obligations	2,394	3,063	0	0
Bankers' acceptances	67,592	74,338	0	0
Revolving credits	53,355	62,147	7,600	22,800
Block discount creditors	28,677	22,011	0	0
	<b>711,425</b>	<b>634,467</b>	<b>361,734</b>	<b>296,400</b>

Secured bank borrowings of the Group are secured by freehold and leasehold land, buildings, plant and machinery (Note 13) of the Group.

The remaining outstanding balance of RM360 million syndicated term loan of the Group and Company was repaid during the financial year and refinanced with a RM380 million syndicated term loan, of which RM359 million has been drawn down. At the balance sheet date, RM354 million remains outstanding. The syndicated term loan contains covenants which require the Group and Company to maintain minimum net gearing ratio, net debt to earnings before interest, tax, depreciation and amortisation and debt service cover ratio.

In the previous financial year, as a consequence of the provision of RM50 million compensation in consideration for the termination of the Letter of Undertaking granted to SILK (Note 26), the financial ratios imposed on the syndicated term loan have been breached as at 30 June 2007 and as such, the lenders could declare all outstanding term loans under these facilities be immediately due and payable. This has been reflected in the reclassification of the syndicated term loan to current liabilities. There was no breach on the financial ratios in the current financial year.

The weighted average interest rates per annum of borrowings that was effective as at balance sheet date were as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Term loans	5.55	6.69	5.60	5.74
Finance lease and hire purchase obligations	4.12	2.01	N/A	N/A
Revolving credits	5.22	5.48	5.50	5.62
Bankers' acceptances	4.51	4.04	N/A	N/A
Block discount creditors	6.96	6.20	N/A	N/A

The Company has entered into interest rate swap contracts to hedge the floating rate interest payable on its long term borrowings. The contracts entitle the Company to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the swaps, the Company agrees with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

The floating rates of the Company's interest rate swap contracts are linked to the Kuala Lumpur Inter Bank Offer Rate ("KLIBOR"). The weighted average effective interest rate of the Company floating rate borrowings during the financial year is 5.36% (2007: 5.38%) per annum. After the interest rate swaps, the Company's weighted average effective rate during the financial year is 5.94% (2007: 5.94%) per annum.

The remaining terms, notional principal amounts and fair values of the outstanding interest rate swap contracts of the Company at the balance sheet date, which are denominated in Ringgit Malaysia, were as follows:

Duration	Floating rate	Fixed rate	Amount RM'000	Fair value loss RM'000
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.70%	11,600	1
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.80%	11,600	1
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.95%	11,600	5
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.65%	17,400	1
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.90%	17,400	3
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	5.79%	17,400	2
11.04.08 – 10.07.08	3 month KLIBOR + 1.75%	6.00%	23,200	4
				17

Fair value losses are computed using the difference between the floating rates and fixed rates applied to the principal amounts over the duration of swap expiring subsequent to year end.

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
The currency exposure profile of borrowings is as follows:				
- Ringgit Malaysia (RM)	586,893	442,931	361,734	296,400
- Singapore Dollar (SGD)	28,315	36,651	0	0
- Vietnam Dong (VND)	465	739	0	0
- Indonesian Rupiah (IDR)	0	31	0	0
- Renminbi (RMB)	14,956	5,217	0	0
- Macau Pataca (MOP)	2,890	0	0	0
- US Dollar (USD)	32,635	34,590	0	0
- Hong Kong Dollar (HKD)	40,497	42,698	0	0
- Indian Rupee (IR)	32	56,292	0	0
- Trinidad and Tobago Dollar (TTD)	4,742	15,318	0	0
	711,425	634,467	361,734	296,400

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

The carrying amounts of borrowings of the Group and Company at the balance sheet date approximated their fair values except as set out below:

			<b>Group</b>	
	<b>Carrying amount RM'000</b>	<b>2008 Fair value RM'000</b>	<b>Carrying amount RM'000</b>	<b>2007 Fair value RM'000</b>
Finance lease and hire purchase obligations	<b>2,394</b>	<b>2,620</b>	3,063	3,285
Block discount creditors	<b>28,677</b>	<b>29,775</b>	22,011	22,787

		<b>Group</b>	
		<b>2008 RM'000</b>	<b>2007 RM'000</b>
Finance lease and hire purchase obligations are repayable in the following periods:			
- Not later than 1 year		<b>1,344</b>	1,459
- Later than 1 year and not later than 5 years		<b>1,288</b>	2,039
		<b>2,632</b>	3,498
Less: Future finance charges		<b>(238)</b>	(435)
		<b>2,394</b>	3,063
Representing finance lease and hire purchase obligations:			
- Not later than 1 year		<b>1,288</b>	1,224
- Later than 1 year and not later than 5 years		<b>1,106</b>	1,839
		<b>2,394</b>	3,063

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

The net exposure of the borrowings of the Group and Company to interest rate cash flow risk and the period in which the borrowings mature or reprice (whichever is earlier) are as follows:

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Secured</b>								
Term loans:								
<b>Floating rate</b>								
RM	5.09	11,375	0	7,584	3,791	0	0	0
RM	5.25	30,000	20,000	10,000	0	0	0	0
RM	5.53	9,559	2,740	2,740	2,532	1,024	523	0
SGD	3.15	6,335	458	458	458	458	458	4,045
SGD	6.00	925	294	294	294	43	0	0
USD	6.59	32,635	13,052	13,052	6,531	0	0	0
<b>Fixed rate</b>								
RM	5.69	10,331	1,583	1,583	1,583	1,583	1,583	2,416
RM	6.75	2,200	1,200	1,000	0	0	0	0
RM	8.00	2,500	2,000	500	0	0	0	0
RMB	6.57	3,808	3,808	0	0	0	0	0
RMB	7.74	8,570	964	1,928	2,464	2,571	643	0
		<b>118,238</b>	<b>46,099</b>	<b>39,139</b>	<b>17,653</b>	<b>5,679</b>	<b>3,207</b>	<b>6,461</b>

Bank overdrafts:

**Floating rate**

SGD	6.00	5,855	5,855	0	0	0	0	0
IR	15.50	32	32	0	0	0	0	0

**Fixed rate**

RM	8.25	490	490	0	0	0	0	0
RM	8.38	207	207	0	0	0	0	0
RM	8.50	494	494	0	0	0	0	0
TTD	8.75	4,742	4,742	0	0	0	0	0
		<b>11,820</b>	<b>11,820</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Secured</b> (cont'd)								
Finance lease and hire purchase obligations:								
<b>Fixed rate</b>								
RM	2.35	44	30	14	0	0	0	0
RM	3.00	154	93	55	6	0	0	0
RM	3.71	693	483	191	19	0	0	0
RMB	1.02	1,150	595	555	0	0	0	0
SGD	3.00	353	87	87	87	92	0	0
		<b>2,394</b>	<b>1,288</b>	<b>902</b>	<b>112</b>	<b>92</b>	<b>0</b>	<b>0</b>

Bankers'  
acceptance:

**Floating rate**

RM	4.22	1,000	1,000	0	0	0	0	0
RM	4.30	1,000	1,000	0	0	0	0	0
RM	4.35	1,000	1,000	0	0	0	0	0
RM	4.67	5,820	5,820	0	0	0	0	0
SGD	6.00	2,251	2,251	0	0	0	0	0
<b>Fixed rate</b>								
RM	3.62	2,114	2,114	0	0	0	0	0
RM	3.76	937	937	0	0	0	0	0
RM	3.86	82	82	0	0	0	0	0
RM	4.44	2,309	2,309	0	0	0	0	0
		<b>16,513</b>	<b>16,513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Secured</b> (cont'd)								
Revolving credits:								
<b>Floating rate</b>								
VND	17.00	465	465	0	0	0	0	0
<b>Unsecured</b>								
Term loans:								
<b>Floating rate</b>								
RM	5.50	139,787	13,468	21,521	21,521	21,521	21,521	40,235
RM	5.53	113,695	10,955	17,504	17,504	17,504	17,504	32,724
RM	5.54	54,053	5,208	8,322	8,322	8,322	8,322	15,557
RM	6.15	46,598	4,490	7,174	7,174	7,174	7,174	13,412
SGD	6.00	1,122	321	321	321	159	0	0
<b>Fixed rate</b>								
HKD	4.00	19,317	0	1,515	2,526	3,031	12,245	0
HKD	6.00	21,180	0	1,662	2,769	3,323	13,426	0
RM	5.90	19,038	19,038	0	0	0	0	0
RMB	7.13	1,428	1,428	0	0	0	0	0
		416,218	54,908	58,019	60,137	61,034	80,192	101,928

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b> (cont'd)								
Bank overdrafts:								
<b>Floating rate</b>								
RM	0.50	236	236	0	0	0	0	0
RM	1.50	1,392	1,392	0	0	0	0	0
RM	8.00	1,985	1,985	0	0	0	0	0
SGD	6.20	7,090	7,090	0	0	0	0	0
<b>Fixed rate</b>								
RM	7.75	321	321	0	0	0	0	0
RM	8.50	1,504	1,504	0	0	0	0	0
RM	8.75	603	603	0	0	0	0	0
		<b>13,131</b>	<b>13,131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Revolving credits:

<b>Floating rate</b>								
RM	5.03	30,900	30,900	0	0	0	0	0
RM	5.50	7,600	7,600	0	0	0	0	0
<b>Fixed rate</b>								
MOP	4.31	2,890	2,890	0	0	0	0	0
RM	5.05	800	800	0	0	0	0	0
RM	5.27	2,000	2,000	0	0	0	0	0
RM	5.52	8,700	7,300	1,400	0	0	0	0
		<b>52,890</b>	<b>51,490</b>	<b>1,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b> (cont'd)								
Bankers' acceptance:								
<b>Floating rate</b>								
RM	3.72	479	479	0	0	0	0	0
RM	4.08	577	577	0	0	0	0	0
RM	4.09	3,469	3,469	0	0	0	0	0
RM	4.10	1,372	1,372	0	0	0	0	0
RM	4.11	3,183	3,183	0	0	0	0	0
RM	4.13	369	369	0	0	0	0	0
RM	4.14	598	598	0	0	0	0	0
RM	4.18	1,854	1,854	0	0	0	0	0
RM	4.20	634	634	0	0	0	0	0
RM	4.22	1,136	1,136	0	0	0	0	0
RM	4.23	432	432	0	0	0	0	0
RM	4.24	770	770	0	0	0	0	0
RM	4.25	3,402	3,402	0	0	0	0	0
RM	4.26	6,296	6,296	0	0	0	0	0
RM	4.27	1,362	1,362	0	0	0	0	0
RM	4.28	570	570	0	0	0	0	0
RM	4.29	748	748	0	0	0	0	0
RM	4.30	1,313	1,313	0	0	0	0	0
RM	4.32	1,759	1,759	0	0	0	0	0
RM	4.45	702	702	0	0	0	0	0
RM	4.61	1,684	1,684	0	0	0	0	0
RM	4.62	3,847	3,847	0	0	0	0	0
RM	4.63	1,033	1,033	0	0	0	0	0
RM	4.65	1,535	1,535	0	0	0	0	0
RM	4.66	665	665	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b> (cont'd)								
Bankers' acceptance (cont'd):								
<b>Floating rate</b> (cont'd)								
RM	4.67	1,332	1,332	0	0	0	0	0
RM	4.68	500	500	0	0	0	0	0
RM	4.69	531	531	0	0	0	0	0
RM	5.13	1,056	1,056	0	0	0	0	0
SGD	5.45	1,002	1,002	0	0	0	0	0
SGD	6.00	1,654	1,654	0	0	0	0	0
SGD	6.50	1,728	1,728	0	0	0	0	0
<b>Fixed rate</b>								
RM	1.05	58	58	0	0	0	0	0
RM	1.31	429	429	0	0	0	0	0
RM	1.41	65	65	0	0	0	0	0
RM	1.49	33	33	0	0	0	0	0
RM	1.52	33	33	0	0	0	0	0
RM	1.57	552	552	0	0	0	0	0
RM	1.59	326	326	0	0	0	0	0
RM	3.62	400	400	0	0	0	0	0
RM	3.66	211	211	0	0	0	0	0
RM	3.80	215	215	0	0	0	0	0
RM	3.85	190	190	0	0	0	0	0
RM	4.63	120	120	0	0	0	0	0
RM	4.66	118	118	0	0	0	0	0
RM	4.71	505	505	0	0	0	0	0
RM	4.91	76	76	0	0	0	0	0
RM	5.10	156	156	0	0	0	0	0
			<b>51,079</b>	<b>51,079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
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**Unsecured** (cont'd)

Block discount  
creditors:

**Floating rate**

RM	5.58	298	91	87	67	53	0	0
RM	5.61	889	234	250	266	139	0	0
RM	5.68	172	91	39	39	3	0	0
RM	5.79	10	8	2	0	0	0	0
RM	5.83	2	2	0	0	0	0	0
RM	5.87	261	149	112	0	0	0	0
RM	5.90	279	141	131	7	0	0	0
RM	5.96	4,692	1,299	1,392	1,485	516	0	0
RM	5.98	398	164	175	59	0	0	0
RM	6.03	895	448	217	230	0	0	0
RM	6.07	218	57	137	24	0	0	0
RM	6.20	548	189	201	158	0	0	0
RM	6.24	92	92	0	0	0	0	0
RM	6.29	377	288	89	0	0	0	0
RM	6.31	68	68	0	0	0	0	0
RM	6.36	220	164	56	0	0	0	0
RM	6.37	413	271	142	0	0	0	0
RM	6.38	26	26	0	0	0	0	0
RM	6.39	1,108	609	496	3	0	0	0
RM	6.61	55	55	0	0	0	0	0
RM	6.66	150	93	57	0	0	0	0
RM	6.68	2,380	876	933	571	0	0	0
RM	6.97	170	31	33	35	71	0	0
RM	7.12	607	191	204	135	77	0	0



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b> (cont'd)								
Block discount creditors (cont'd):								
<b>Floating rate</b> (cont'd)								
RM	7.53	3,401	614	655	696	1,436	0	0
RM	7.55	24	12	12	0	0	0	0
RM	7.57	2,283	455	485	515	828	0	0
RM	7.59	660	293	311	56	0	0	0
RM	7.62	735	262	194	128	151	0	0
RM	7.67	3,171	632	674	715	1,150	0	0
RM	7.70	1,263	227	242	257	537	0	0
RM	7.74	247	66	70	75	36	0	0
RM	7.92	917	209	223	186	299	0	0
RM	8.01	98	39	41	10	8	0	0
RM	8.15	354	239	115	0	0	0	0
RM	8.25	225	56	52	56	61	0	0
RM	8.27	354	177	177	0	0	0	0
RM	8.85	617	138	148	159	172	0	0
		<b>28,677</b>	<b>9,056</b>	<b>8,152</b>	<b>5,932</b>	<b>5,537</b>	<b>0</b>	<b>0</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Secured</b>								
Term loans:								
<b>Floating rate</b>								
RM	5.52	5,584	1,340	1,340	1,340	1,340	224	0
<b>Fixed rate</b>								
RM	6.75	8,200	3,600	4,600	0	0	0	0
RM	8.00	4,500	4,500	0	0	0	0	0
SGD	4.25	9,375	750	1,006	1,006	1,006	5,607	0
IR	11.00	19,934	19,934	0	0	0	0	0
IR	14.00	35,068	29,987	5,081	0	0	0	0
		82,661	60,111	12,027	2,346	2,346	5,831	0

Bank overdrafts:

**Floating rate**

SGD	6.25	12,481	12,481	0	0	0	0	0
TTD	8.75	15,318	15,318	0	0	0	0	0
IR	6.00	1,290	1,290	0	0	0	0	0
		29,089	29,089	0	0	0	0	0

Finance lease and  
hire purchase  
obligations:

**Fixed rate**

RM	2.28	14	14	0	0	0	0	0
RM	2.30	69	27	28	14	0	0	0
RM	2.45	58	50	8	0	0	0	0
RM	2.55	94	22	44	28	0	0	0
RM	2.99	140	63	66	11	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
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**Secured** (cont'd)

Finance lease and  
hire purchase  
obligations  
(cont'd):

**Fixed rate**  
(cont'd)

RM	2.85	98	30	31	33	4	0	0
RM	3.45	23	18	5	0	0	0	0
RM	3.50	26	19	7	0	0	0	0
RM	4.25	485	300	185	0	0	0	0
RM	5.70	326	100	105	111	10	0	0
RM	5.71	81	25	26	30	0	0	0
SGD	3.00	25	25	0	0	0	0	0
RMB	3.00	1,593	500	1,093	0	0	0	0
IDR	8.26	7	7	0	0	0	0	0
IDR	11.40	24	24	0	0	0	0	0
		3,063	1,224	1,598	227	14	0	0

Bankers'  
acceptance:

**Floating rate**

RM	3.75	6,139	6,139	0	0	0	0	0
SGD	6.25	3,410	3,410	0	0	0	0	0

**Fixed rate**

RM	4.20	1,000	1,000	0	0	0	0	0
RM	4.25	2,000	2,000	0	0	0	0	0
RM	4.26	1,000	1,000	0	0	0	0	0
		13,549	13,549	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
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**Unsecured**

Term loans:

**Floating rate**

RM	5.53	7,600	7,600	0	0	0	0	0
RM	5.55	91,200	91,200	0	0	0	0	0
RM	5.58	95,000	95,000	0	0	0	0	0
RM	5.76	30,400	30,400	0	0	0	0	0
RM	6.45	11,400	11,400	0	0	0	0	0

**Fixed rate**

RM	6.44	38,000	38,000	0	0	0	0	0
USD	7.10	34,590	34,590	0	0	0	0	0
HKD	4.00	20,368	0	20,368	0	0	0	0
HKD	6.00	22,330	0	22,330	0	0	0	0
		350,888	308,190	42,698	0	0	0	0

Bank overdrafts:

**Floating rate**

RM	7.80	3,471	3,471	0	0	0	0	0
RM	8.50	11	11	0	0	0	0	0
SGD	6.00	3,399	3,399	0	0	0	0	0

**Fixed rate**

RM	8.00	109	109	0	0	0	0	0
RM	8.61	3,280	3,280	0	0	0	0	0
		10,270	10,270	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
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**Unsecured** (cont'd)

Revolving credits:

**Floating rate**

RM	5.02	22,484	22,484	0	0	0	0	0
RM	5.27	2,000	2,000	0	0	0	0	0
RM	5.51	3,500	3,500	0	0	0	0	0
RM	5.52	29,800	18,000	10,400	1,400	0	0	0
RMB	6.96	3,624	3,624	0	0	0	0	0
VND	11.00	739	739	0	0	0	0	0
		62,147	50,347	10,400	1,400	0	0	0

Bankers'  
acceptance:

**Floating rate**

RM	3.60	265	265	0	0	0	0	0
RM	3.62	490	490	0	0	0	0	0
RM	3.64	213	213	0	0	0	0	0
RM	3.70	620	620	0	0	0	0	0
RM	3.97	46,177	46,177	0	0	0	0	0
SGD	6.70	7,961	7,961	0	0	0	0	0

**Fixed rate**

RM	3.58	202	202	0	0	0	0	0
RM	3.60	635	635	0	0	0	0	0
RM	3.62	1,110	1,110	0	0	0	0	0
RM	3.65	609	609	0	0	0	0	0
RM	3.73	528	528	0	0	0	0	0
RM	3.80	482	482	0	0	0	0	0
RM	4.46	1,497	1,497	0	0	0	0	0
		60,789	60,789	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Group**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b> (cont'd)								
Block discount creditors:								
<b>Floating rate</b>								
RM	5.58	377	10	95	100	172	0	0
RM	5.61	1,021	52	218	235	516	0	0
RM	5.68	344	81	94	91	78	0	0
RM	5.79	95	72	20	3	0	0	0
RM	5.83	11	9	2	0	0	0	0
RM	5.87	412	10	140	149	113	0	0
RM	5.90	420	137	144	139	0	0	0
RM	5.96	5,948	2,164	1,205	1,299	1,280	0	0
RM	5.98	649	96	153	164	236	0	0
RM	6.07	584	57	120	128	279	0	0
RM	6.03	1,575	242	439	448	446	0	0
RM	6.20	741	178	189	374	0	0	0
RM	6.24	254	58	104	92	0	0	0
RM	6.29	728	352	288	88	0	0	0
RM	6.31	585	537	48	0	0	0	0
RM	6.32	651	651	0	0	0	0	0
RM	6.36	686	467	164	55	0	0	0
RM	6.37	667	255	271	141	0	0	0
RM	6.38	752	343	363	46	0	0	0
RM	6.39	1,682	572	610	500	0	0	0
RM	6.61	132	90	42	0	0	0	0
RM	6.66	236	87	93	56	0	0	0
RM	6.68	3,258	818	877	1,563	0	0	0
RM	9.44	198	198	0	0	0	0	0
RM	9.55	5	5	0	0	0	0	0
		22,011	7,541	5,679	5,671	3,120	0	0



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Company**

**At 30 June 2008**

Functional currency	Effective interest rate as at 30 June 2008  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b>								
Term loans:								
<b>Floating rate</b>								
RM	5.53	113,696	10,955	17,504	17,504	17,504	17,504	32,725
RM	6.15	46,597	4,489	7,174	7,174	7,174	7,174	13,412
RM	5.50	93,193	8,979	14,347	14,348	14,348	14,348	26,823
RM	5.54	54,051	5,208	8,322	8,322	8,321	8,321	15,557
RM	5.50	46,597	4,490	7,174	7,173	7,174	7,174	13,412
		<b>354,134</b>	<b>34,121</b>	<b>54,521</b>	<b>54,521</b>	<b>54,521</b>	<b>54,521</b>	<b>101,929</b>
Revolving credits:								
<b>Floating rate</b>								
RM	5.50	7,600	7,600	0	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**27 BORROWINGS** (cont'd)

**Company**

**At 30 June 2007**

Functional currency	Effective interest rate as at 30 June 2007  % p.a.	Total carrying amount  RM'000	< 1 year  RM'000	1-2 years  RM'000	2-3 years  RM'000	3-4 years  RM'000	4-5 years  RM'000	> 5 years  RM'000
<b>Unsecured</b>								
Term loans:								
<b>Floating rate</b>								
RM	5.58	95,000	95,000	0	0	0	0	0
RM	5.55	91,200	91,200	0	0	0	0	0
RM	6.45	11,400	11,400	0	0	0	0	0
RM	5.76	30,400	30,400	0	0	0	0	0
RM	5.53	7,600	7,600	0	0	0	0	0
<b>Fixed rate</b>								
RM	6.44	38,000	38,000	0	0	0	0	0
		273,600	273,600	0	0	0	0	0
Revolving credits:								
<b>Floating rate</b>								
RM	5.52	22,800	15,200	7,600	0	0	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 28 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>(Restated) RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets	14,853	15,019	0	0
Deferred tax liabilities	(15,204)	(15,427)	0	0
	(351)	(408)	0	0

The movement in deferred tax is shown as follows:

At beginning of the financial year	(408)	(4,946)	0	0
Effects of adopting FRS 112	0	449	0	0
As restated	(408)	(4,497)	0	0
(Charged)/credited to income statement (Note 10):				
- property, plant and equipment	(196)	1,057	0	0
- debtors and inventories	(1,383)	(880)	0	0
- lease rental receivables	1,120	291	0	0
- tax losses	321	(548)	0	0
- others	493	4,738	0	0
	355	4,658	0	0
Acquisition of subsidiaries (Note 35)	(298)	(569)	0	0
At end of the financial year	(351)	(408)	0	0

Subject to income tax:

### Deferred tax assets

Property, plant and equipment	8,170	8,287	0	0
Debtors and inventories	3,785	5,168	0	0
Tax losses	4,666	4,345	0	0
Others	2,543	1,880	0	0
Deferred tax assets (before offsetting)	19,164	19,680	0	0
Offsetting	(4,311)	(4,661)	0	0
Deferred tax assets (after offsetting)	14,853	15,019	0	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**28 DEFERRED TAX** (cont'd)

	Group		Company	
	2008	2007	2008	2007
	RM'000	(Restated) RM'000	RM'000	RM'000
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(9,587)	(9,508)	0	0
Lease rental receivables	(2,478)	(3,598)	0	0
Others	(7,450)	(6,982)	0	0
Deferred tax liabilities (before offsetting)	(19,515)	(20,088)	0	0
Offsetting	4,311	4,661	0	0
Deferred tax liabilities (after offsetting)	(15,204)	(15,427)	0	0

Deferred tax assets arising from temporary differences (which have no expiry date) and unused tax losses (expiry date as disclosed) not recognised in the balance sheets are as follows:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Deductible temporary differences	20,372	22,696	3	0
Tax losses				
- no expiry date	185,855	198,783	13,428	13,341
- expiring in 2008	3,584	6,149	0	0
- expiring in 2009	4,100	4,341	0	0
- expiring in 2010	3,052	3,232	0	0
- expiring in 2011	2,518	3,359	0	0
- expiring in 2012	3,310	1,511	0	0
- expiring in 2013	132	0	0	0
Tax losses	202,551	217,375	13,428	13,341

As at 30 June 2008, the temporary differences associated with unremitted earnings of subsidiary companies for which deferred tax liabilities have not been recognised amounted to approximately RM37,000,000 (2007: RM42,000,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 29 ABS SENIOR NOTES

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Secured Class A Senior Notes	0	47,210
Secured Class B Senior Notes	0	21,688
Secured Class C Senior Notes	0	20,433
Secured Class D Senior Notes	0	4,189
	0	93,520
Unamortised discount (Note 29 (i))	0	(2,674)
	0	90,846
<b>Maturity of the Notes</b>		
Within 2 to 5 years	0	93,520
Fair value	0	93,558

Discount pertaining to Senior Notes is amortised on a straight line basis over the tenure of the Senior Notes of 6 years.

The terms of the Senior Notes are as follows:

- (i) All outstanding Senior Notes will be mandatorily redeemed in full, together with all accrued and unpaid interest by ABS Land and Properties Berhad ("ALP"), who is a subsidiary and the Notes issuer, on 4 April 2010.
- (ii) The Senior Notes bear the following interest rate per annum payable half-yearly in arrears on 4 April and 4 October each year:

	<b>Interest rate per annum %</b>
Secured Class A Senior Notes	4.75
Secured Class B Senior Notes	5.50
Secured Class C Senior Notes	7.00
Secured Class D Senior Notes	7.50

- (iii) The Senior Notes are secured over certain inventories of the Group (Note 22).

- (iv) The Senior Notes may be repaid before its maturity if the secured inventories are disposed.

During the financial year, the subsidiary elected to early redeem all Senior Notes (Class A, B, C and D) on 2 April 2008, ahead of the mandatory redemption on 4 April 2010. All Senior Notes amounting to RM93.52 million had been redeemed via cash.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

### 30 SHARE CAPITAL

	Group / Company	
	2008 RM'000	2007 RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At beginning and end of the financial year	1,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of financial year	541,507	540,367
Issued during the financial year		
- exercise of options over ordinary shares	6,444	1,140
- exercise of warrants	8	0
	6,452	1,140
At end of financial year	547,959	541,507

- (i) During the financial year, the following new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of options over ordinary shares pursuant to the Company's Employees' Share Options Scheme ("ESOS"):

Number of new ordinary shares	Exercise price per share
5,279,850	RM1.00
959,125	RM1.21
182,000	RM1.75
22,750	RM1.88

During the financial year, 8,471 new ordinary shares of RM1.00 each were issued by the Company for cash by virtue of the exercise of warrants at an exercise price of RM1.30 per share.

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

- (ii) During the financial year, the Company repurchased 21,185,700 of its share capital from the open market on Bursa Malaysia Securities Berhad for RM28,687,938 at prices ranging from RM1.15 to RM1.46 per share. None of the treasury shares repurchased has been sold as at 30 June 2008. At the balance sheet date, the number of outstanding shares in issue after setting off treasury shares against equity is 526,673,625.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

**(iii) Employees' Share Option Scheme ("ESOS")**

On 7 November 2002, the Company implemented an ESOS to the eligible employees (including Executive Directors) of the Company and subsidiaries. The ESOS is governed by the by-laws which were approved by the shareholders on 3 October 2002.

The main features of the ESOS are:

- (a) The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any point in time during the duration of the ESOS;
- (b) Eligible employees are those who have been in the service of the Group on a full time basis for a continuous period of at least one year (including any full time executive director of any company in the Group) or such categories and of such criteria that the ESOS Committee may from time to time decide;
- (c) The ESOS shall continue to be in force for a period of ten years from 7 November 2002;
- (d) The options over ordinary shares can be exercised by notice in writing on any working day for the duration of the option period;
- (e) The price at which the employees are entitled to take up shares under the ESOS shall be the higher of:
  - (i) the five (5) day weighted average market price of the underlying shares at the time of the option is granted, with a discount of not more than ten percent (10%) if deemed appropriate; or
  - (ii) the par value of the shares;
- (f) The persons to whom the options over ordinary shares have been granted have no right to participate by virtue of the options over ordinary shares in any share issue of any other Company within the Group; and
- (g) Options over ordinary shares granted under the ESOS carry no dividend or voting rights. Upon exercise of the options over ordinary shares, shares issued rank pari passu in all respects with existing ordinary shares of the Company.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

**(iii) Employees' Share Option Scheme ("ESOS")** (cont'd)

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

Granted date	Expiry date	Exercise price RM/share	Number of options over ordinary shares				
			At start of financial year	Granted	Exercised	Cancelled	At end of financial year
			'000				'000
30.6.2008							
07.11.2002	6.11.2012	1.00	20,305	0	(4,191)	(155)	15,959
09.09.2004	6.11.2012	1.21	3,259	0	(959)	(207)	2,093
31.01.2004	6.11.2012	1.58	1,225	0	0	0	1,225
13.03.2004	6.11.2012	1.75	2,257	0	(182)	(118)	1,957
07.10.2005	6.11.2012	1.00	2,262	0	(1,089)	(74)	1,099
16.10.2007	6.11.2012	1.88	0	4,395	(23)	(159)	4,213
07.12.2007	6.11.2012	1.87	0	150	0	0	150
05.05.2008	6.11.2012	1.48	0	171	0	0	171
			29,308	4,716	(6,444)	(713)	26,867
30.6.2007							
07.11.2002	6.11.2012	1.00	21,578	0	(882)	(391)	20,305
09.09.2004	6.11.2012	1.21	3,836	0	(55)	(522)	3,259
31.01.2004	6.11.2012	1.58	1,225	0	0	0	1,225
13.03.2004	6.11.2012	1.75	2,710	0	0	(453)	2,257
07.10.2005	6.11.2012	1.00	3,459	0	(203)	(994)	2,262
			32,808	0	(1,140)	(2,360)	29,308
						2008 '000	2007 ,000
Number of options over ordinary shares vested at balance sheet date						26,867	29,308

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

**(iii) Employees' Share Option Scheme ("ESOS")** (cont'd)

Details relating to options over ordinary shares exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of options over ordinary shares issued	
			2008 '000	2007 '000
03.05.2007	1.30	1.00	0	38
10.05.2007	1.29	1.00	0	20
18.05.2007	1.26	1.00	0	15
25.05.2007	1.20	1.00	0	31
11.06.2007	1.55	1.00	0	182
15.06.2007	1.47	1.00	0	695
15.06.2007	1.47	1.21	0	35
22.06.2007	1.55	1.00	0	104
22.06.2007	1.55	1.21	0	20
02.07.2007	1.46	1.00	134	0
02.07.2007	1.46	1.21	15	0
06.07.2007	1.47	1.00	95	0
16.07.2007	1.43	1.00	168	0
16.07.2007	1.43	1.21	15	0
20.07.2007	1.44	1.00	40	0
27.07.2007	1.83	1.00	366	0
27.07.2007	1.83	1.21	22	0
06.08.2007	1.50	1.00	388	0
06.08.2007	1.50	1.21	73	0
10.08.2007	1.50	1.00	58	0
20.08.2007	1.38	1.00	90	0
20.08.2007	1.38	1.21	44	0
04.09.2007	1.54	1.00	45	0
07.09.2007	1.56	1.00	25	0
07.09.2007	1.56	1.21	5	0
14.09.2007	1.50	1.00	100	0
14.09.2007	1.50	1.21	300	0
01.10.2007	1.69	1.00	32	0
05.10.2007	1.93	1.00	302	0
05.10.2007	1.93	1.21	35	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

**(iii) Employees' Share Option Scheme ("ESOS")** (cont'd)

Details relating to options over ordinary shares exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of options over ordinary shares issued	
			2008 '000	2007 '000
12.10.2007	1.87	1.00	854	0
12.10.2007	1.87	1.21	49	0
12.10.2007	1.87	1.75	2	0
22.10.2007	1.87	1.00	299	0
22.10.2007	1.87	1.21	38	0
26.10.2007	2.04	1.00	135	0
26.10.2007	2.04	1.21	65	0
02.11.2007	2.09	1.00	1,135	0
02.11.2007	2.09	1.21	127	0
02.11.2007	2.09	1.75	50	0
02.11.2007	2.09	1.88	16	0
12.11.2007	1.89	1.00	175	0
12.11.2007	1.89	1.21	32	0
12.11.2007	1.89	1.75	10	0
12.11.2007	1.89	1.88	3	0
16.11.2007	1.90	1.00	73	0
16.11.2007	1.90	1.21	40	0
23.11.2007	1.81	1.00	173	0
23.11.2007	1.81	1.21	14	0
23.11.2007	1.81	1.88	4	0
30.11.2007	1.83	1.00	28	0
30.11.2007	1.83	1.21	15	0
07.12.2007	1.90	1.00	55	0
07.12.2007	1.90	1.21	5	0
07.12.2007	1.90	1.75	100	0
17.12.2007	1.90	1.00	5	0
27.12.2007	1.85	1.00	110	0
27.12.2007	1.85	1.21	50	0
04.01.2008	1.94	1.00	60	0
14.01.2008	1.94	1.00	52	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

(iii) Employees' Share Option Scheme ("ESOS") (cont'd)

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of options over ordinary shares issued	
			2008 '000	2007 '000
14.01.2008	1.94	1.75	20	0
22.01.2008	1.47	1.00	37	0
22.01.2008	1.47	1.21	10	0
28.03.2008	1.38	1.00	20	0
18.04.2008	1.40	1.00	50	0
24.04.2008	1.48	1.00	10	0
05.05.2008	1.46	1.00	90	0
05.05.2008	1.46	1.21	5	0
16.05.2008	1.53	1.00	26	0
26.05.2008	1.43	1.00	50	0
			6,444	1,140
			<b>2008 RM'000</b>	<b>2007 RM'000</b>
Ordinary share capital – at par			<b>6,444</b>	1,140
Share premium			<b>358</b>	11
Transfer from share option reserves to share premium			<b>9</b>	0
			<b>6,811</b>	1,151
Proceeds received on exercise of options over ordinary shares			<b>6,802</b>	1,151
Share price at exercise date of shares issued			<b>11,628</b>	1,679

The price of shares issued on the exercise of options over ordinary shares is the closing market price at which the Company's share were traded on the Bursa Malaysia Securities Berhad ("Bursa Malaysia") on the day the options over ordinary shares were exercised.

The fair value of share options granted during the year was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**30 SHARE CAPITAL** (cont'd)

**(iii) Employees' Share Option Scheme ("ESOS")** (cont'd)

The fair value of share options measured at grant date and the assumptions are as follows:

30.6.2008	Grant date		
	05.05.08	07.12.07	16.10.07
Exercise price (RM)	1.48	1.87	1.88
Fair value of share options at the following grant date (RM)	0.27	0.35	0.37
Weighted average share price (RM)	1.66	1.73	1.66
Expected volatility (%)	45.52	42.14	43.49
Expected life (years)	5	5	5
Risk free rate (%)	4.27	4.56	3.56
Expected dividend yield (%)	5.00	5.00	5.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

**31 WARRANTS**

Issue date	Expiry date	Exercise price RM/warrant	Number of warrants 2004/2008			
			At start of financial year	Issued	Exercised	At end of financial year
			'000			'000
30.6.2008						
18.10.2004	17.10.2008	1.30	196,989	0	(8)	196,981
30.6.2007						
18.10.2004	17.10.2008	1.30	196,989	0	0	196,989

	Group and Company	
	2008 RM'000	2007 RM'000
At beginning of financial year	8,777	8,777
Less: Warrants issue cost	0	0
At end of financial year	8,777	8,777

The warrants are transferable and listed on Bursa Malaysia. Each warrant entitles its registered holder, at any time from the date of its issue up to and including 18 October 2008, to subscribe for one new ordinary share of RM1.00 each in the Company at an exercise price of RM1.30 per share which is subject to adjustments under the terms set out in the Deed Poll.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

### 32 CONSTRUCTION CONTRACTS

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
Costs incurred to date	3,996,558	5,144,065
Accrued profits to date	517,245	725,680
Recognised losses to date	(1,572)	(261)
Total costs and accrued profits (less losses) to date	4,512,231	5,869,484
Progress billings to date	(4,475,580)	(5,895,649)
	36,651	(26,165)
Amounts due from customers on contracts (Note 23)	(95,627)	(62,277)
Amounts due to customers on contracts (Note 25)	58,976	88,442
	0	0
Advances received on contracts (included in amounts due to associates (Note 25))	0	2,460
Retention sums (Note 23)	80,848	94,538

### 33 CAPITAL COMMITMENTS

Capital expenditure authorised by Directors but not provided for in the financial statements are as follows:

	<b>Group</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>
In respect of property, plant and equipment:		
- Contracted	38,523	25,287
- Not contracted	82,118	28,631
	120,641	53,918

### 34 NON-CANCELLABLE OPERATING LEASE COMMITMENTS

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Future minimum lease payments</b>				
Not later than 1 year	11,500	6,097	122	95
Later than 1 year and not later than 5 years	25,512	11,913	122	63
Later than 5 years	29,756	26,697	61	0
	66,768	44,707	305	158

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**34 NON-CANCELLABLE OPERATING LEASE COMMITMENTS** (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2008 RM'000</b>	<b>2007 RM'000</b>	<b>2008 RM'000</b>	<b>2007 RM'000</b>
<b>Future minimum sublease receipts</b>				
Not later than 1 year	789	294	0	0
Later than 1 year and not later than 5 years	1,072	255	0	0
	1,861	549	0	0

**35 ACQUISITION AND DISPOSAL OF SUBSIDIARIES**

- (a) On 31 July 2007, a subsidiary of the Group completed its acquisition of 80% equity interest in Sunway Termuning Sdn Bhd (formerly known as Termuning Development Sdn Bhd), a property development company incorporated in Malaysia. The purchase consideration of RM80,000 was settled in cash.

Details of net assets acquired and goodwill are as follows:

	<b>RM'000</b>
Purchase consideration:	
- cash consideration	80
Fair value of net assets acquired	76
Goodwill (Note 21)	4

Details of net assets acquired are as follows:

	<b>Acquiree's carrying value RM'000</b>	<b>Fair value RM'000</b>
Land and development expenditure	6,715	6,740
Cash and bank balances	28	28
Amount due to related companies	(6,667)	(6,667)
Deferred tax liabilities	0	(6)
Minority interests	(15)	(19)
Net assets acquired at 31 July 2007	61	76

- (b) On 5 December 2007, a subsidiary of the Group acquired the entire equity interest in Taiping Kuari Sdn Bhd ("TK") comprising 400,000 ordinary shares of RM1.00 each for a total cash consideration of RM3.9 million.

	<b>RM'000</b>
Purchase consideration	
- cash consideration	3,911
Fair value of net assets acquired	1,901
Goodwill determined provisionally (Note 21)	2,010



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**35 ACQUISITION AND DISPOSAL OF SUBSIDIARIES** (cont'd)

(b) Details of net assets acquired determined provisionally are as follows:

	<b>RM'000</b>
Property, plant and equipment	2,024
Inventories	28
Receivables, deposits and prepayments	53
Cash and bank balances	172
Payables	(106)
Deferred tax liabilities	(270)
Net assets acquired at 5 December 2007	1,901

(c) On 8 January 2008, the Company acquired the entire equity interest in Ansa Teknik Holdings Sdn Bhd ("AT") comprising 6,720,000 ordinary shares of RM1.00 each for a total cash consideration of RM9.7 million.

	<b>RM'000</b>
Purchase consideration - cash consideration	9,682
Fair value of net assets acquired	3,570
Goodwill determined provisionally (Note 21)	6,112

Details of net assets acquired determined provisionally are as follows:

	<b>RM'000</b>
Property, plant and equipment	284
Inventories	588
Receivables, deposits and prepayments	4,041
Cash and bank balances	426
Payables	(1,762)
Deferred tax liabilities	(7)
Net assets acquired at 8 January 2008	3,570

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**35 ACQUISITION AND DISPOSAL OF SUBSIDIARIES** (cont'd)

- (d) On 27 May 2008, a subsidiary of the Group acquired a 60% equity interest in Sun Pharmaceutical Sdn Bhd ("SP") comprising 60,000 ordinary shares of RM1.00 each for a total cash consideration of RM2.5 million.

	<b>RM'000</b>
Purchase consideration - cash consideration	2,520
Fair value of net assets acquired	1,993
Goodwill determined provisionally (Note 21)	527

Details of share of net assets acquired determined provisionally are as follows:

	<b>RM'000</b>
Property, plant and equipment	728
Inventories	1,338
Receivables, deposits and prepayments	2,196
Cash and bank balances	411
Payables	(1,237)
Current tax liabilities	(99)
Deferred tax liabilities	(15)
Minority interests	(1,329)
Net assets acquired at 27 May 2008	1,993

- (e) Details of the cash flow arising from the acquisitions are as follows:

	<b>RM'000</b>
Purchase consideration settled in cash	16,193
Less: Purchase consideration paid in the previous financial year	(80)
Less: Cash and cash equivalents of subsidiaries acquired	(1,037)
Cash outflow of the Group on acquisitions	15,076
Cash outflow of the Company on acquisitions	9,682

The acquired businesses contributed revenue of RM4.6 million and loss of RM0.5 million to the Group for the period from the date of acquisition to 30 June 2008. Had the acquisitions took effect at the beginning of the period, the revenue and profit contributed to the Group would have been RM14.6 million and RM1.1 million respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiaries to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and rock reserve had applied from 1 July 2007, together with the consequential tax effects.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**35 ACQUISITION AND DISPOSAL OF SUBSIDIARIES** (cont'd)

- (f) On 30 October 2007, a subsidiary of the Group disposed of its 65% equity interest in PT Sunway-Yasa PMI Pile ("PT Yasa") for a total cash consideration of RM1.7 million.

Details of the disposal are as follows:

	<b>At date of disposal RM'000</b>
Property, plant and equipment	1,396
Inventories	1,218
Receivables, deposits and prepayments	748
Cash and bank balances	2,723
Payables	(868)
Current tax liabilities	(1,895)
Minority interests	(1,914)
Share of net assets	1,408
Net disposal proceeds	(1,700)
Realisation of foreign currency reserves	(1,176)
Loss on disposal before and after tax	(1,468)
The net cash flow on disposal was determined as follows:	
Total proceeds from disposal – cash consideration	1,700
Cash and cash equivalents of subsidiary disposed off	(4,189)
Net cash outflow on disposal	(2,489)

### 36 SEGMENT REPORTING

The Group is organised into six main business segments:

- |                               |   |  |
|-------------------------------|---|--|
| (a) Construction              | - | Construction of building and civil works and provision of mechanical, electrical and piling works.   |
| (b) Property development      | - | Development of housing and commercial properties and leasing, managing, tenanting, licensing, occupation or disposal of such properties.   |
| (c) Trading and manufacturing | - | Trading and manufacturing of construction and industrial products, building materials and importing and distribution of pharmaceutical products.   |
| (d) Building materials        | - | Manufacturing of vitrified clay pipes, concrete pipes, interlocking pavers, pretensioned spun concrete piles, precast micro injection piles, reinforced concrete piles, eurotiles, blocks and concrete products. |
| (e) Quarry                    | - | Quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.   |
| (f) Financial services        | - | Lease and hire purchase financing.   |
| (g) Investment holding        | - | Investment in properties, management and letting of properties as well as holding of investment in the shares of subsidiaries, associates and other investments.   |
| (h) Others                    | - | Provision of secretarial and share registration services, provision of management services, hotel operators, underwriting of insurance, tolling operations and implementation of securitisation transaction.     |

Other operations of the Group mainly comprise general insurance underwriting, share registration and provision of secretarial services, hotel operators, tolling operations and implementation of securitisation transaction none of which are of a sufficient size to be reported separately.

Intersegment revenue comprise rendering of construction, mechanical and electrical works, trading of building materials, provision of secretarial and share registration services, provision of management services, underwriting of insurance and implementation of securitisation transaction. These transactions are conducted on an arms-length basis under terms, conditions and prices not materially different from transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**36 SEGMENT REPORTING** (cont'd)

(a) Primary reporting format – business segment

<b>30.6.2008</b>	<b>Construction</b> RM'000	<b>Property development</b> RM'000	<b>Trading and manufacturing</b> RM'000	<b>Building materials</b> RM'000	<b>Quarry</b> RM'000	<b>Financial services</b> RM'000	<b>Investment holding</b> RM'000	<b>Others</b> RM'000	<b>Group</b> RM'000
<b>Revenue</b>									
Segment revenue	961,780	48,030	427,262	107,011	345,812	6,355	28,325	31,219	1,955,794
Intersegment revenue	(579)	0	(73,460)	(5,872)	(11,674)	(1,854)	(27,826)	(9,326)	(130,591)
Revenue	961,201	48,030	353,802	101,139	334,138	4,501	499	21,893	1,825,203
<b>Results</b>									
Profit/(loss) from operations	16,674	15,293	35,335	2,579	69,173	3,249	(3,659)	(1,309)	137,335
Finance income									6,058
Finance cost									(46,658)
Share of results of jointly controlled entities	9,974	0	0	0	0	0	0	0	9,974
Associates									
- Share of results of associates	5,744	0	(6)	0	0	0	0	4,887	10,625
- Reversal of impairment losses	0	0	0	0	0	0	11,188	0	11,188
Profit before tax									128,522
Tax expense									(26,305)
Profit for the financial year									102,217

### 36 SEGMENT REPORTING (cont'd)

(a) Primary reporting format – business segment (cont'd)

30.6.2008	Construction RM'000	Property development RM'000	Trading and manufacturing RM'000	Building materials RM'000	Quarry RM'000	Financial services RM'000	Investment holding RM'000	Others RM'000	Group RM'000
<b>Net assets</b>									
Segment assets	490,489	101,732	196,223	136,641	149,520	19,882	717,388	28,008	1,839,883
Jointly controlled entities and associates	96,305	0	399	0	0	0	0	43,042	139,746
Unallocated assets									42,716
<b>Total assets</b>									2,022,345
Segment liabilities	539,797	57,182	120,096	37,770	95,199	33,588	457,943	7,248	1,348,823
Unallocated liabilities									28,338
<b>Total liabilities</b>									1,377,161
<b>Other information</b>									
Capital expenditure (Note 13)	33,427	985	7,044	19,709	32,101	14	4	1,398	94,682
Depreciation and amortisation (Note 13)	17,128	243	2,464	8,447	8,046	49	2,920	3,156	42,453
Impairment losses/(reversal of impairment losses) (Note 6)	0	(266)	15	0	47	0	(11,424)	0	(11,628)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**36 SEGMENT REPORTING** (cont'd)

(a) Primary reporting format – business segment (cont'd)

30.6.2007 (restated)	Construction RM'000	Property development RM'000	Trading and manufacturing RM'000	Building materials RM'000	Quarry RM'000	Financial services RM'000	Investment holding RM'000	Others RM'000	Group RM'000
<b>Revenue</b>									
Segment revenue	1,257,403	148,388	320,335	79,274	170,743	3,019	32,263	27,819	2,039,244
Intersegment revenue	(1,274)	0	(91,072)	(2,355)	(5,449)	(1,443)	(31,438)	(9,672)	(142,703)
Revenue	1,256,129	148,388	229,263	76,919	165,294	1,576	825	18,147	1,896,541
<b>Results</b>									
Profit/(loss) from operations	54,230	31,480	18,820	(1,509)	11,340	1,292	(4,378)	2,447	113,722
Finance income									8,691
Finance cost									(46,440)
Share of results of jointly controlled entities	(1)	0	0	0	0	0	0	0	(1)
Associates									
- Share of results of associates	0	0	600	0	0	0	0	(8,464)	(7,864)
- Financial liability	0	0	0	0	0	0	0	(50,000)	(50,000)
- Impairment loss	0	0	(430)	0	0	0	0	0	(430)
Profit before tax									17,678
Tax expense									(21,510)
Loss for the financial year									(3,832)

Note: Certain segments had been restated to better reflect the nature of the business operations and to conform to the current year's presentation.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**36 SEGMENT REPORTING (cont'd)**

(a) Primary reporting format – business segment (cont'd)

30.6.2007 (restated)	Construction RM'000	Property development RM'000	Trading and manufacturing RM'000	Building materials RM'000	Quarry RM'000	Financial services RM'000	Investment holding RM'000	Others RM'000	Group RM'000
<b>Net assets</b>									
Segment assets	756,351	364,613	206,664	173,676	124,438	28,550	199,862	41,183	1,895,337
Jointly controlled entities and associates	76,931	0	405	0	0	0	0	39,544	116,880
Unallocated assets									32,590
<b>Total assets</b>									2,044,807
Segment liabilities	573,809	167,816	141,380	44,141	75,845	25,881	422,234	11,179	1,462,285
Unallocated liabilities									33,736
<b>Total liabilities</b>									1,496,021

**Other information**

Capital expenditure (Note 13)	23,425	152	21,650	21,543	14,746	3	5	1,430	82,954
Depreciation and amortisation (Note 13)	14,045	275	2,445	10,669	6,964	56	5	4,247	38,706
Impairment losses/(reversal of impairment losses) (Note 6)	1,813	0	2,058	(153)	0	0	5,098	0	8,816

Note: Certain segments had been restated to better reflect the nature of the business operations and to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**36 SEGMENT REPORTING** (cont'd)

(b) Secondary reporting format – geographical segments

The Group operates in these main geographical areas:

Malaysia	-	construction, property development, trading and manufacturing, building materials, quarry, financial services, investment holdings and tolling operations
Singapore	-	construction, trading and manufacturing, building materials and quarry
Vietnam	-	hotel operators, quarry and investment holding
China	-	construction, trading and manufacturing, building materials and investment holding
India	-	construction
Trinidad and Tobago	-	construction and quarry
Other countries	-	construction, investment holding and trading and manufacturing

	Revenue		Total assets		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	(Note 12) 2008 RM'000	2007 RM'000
Malaysia	1,133,700	1,435,875	1,333,386	1,429,197	47,638	26,835
Singapore	260,360	109,650	180,653	136,838	1,744	11,190
Vietnam	74,514	44,440	28,975	58,964	3,308	1,281
China	44,253	45,791	129,631	77,759	18,721	25,610
India	216,845	121,809	106,630	124,046	0	6,709
Trinidad and Tobago	56,002	107,067	80,823	65,742	22,498	7,581
Other countries	39,529	31,909	22,501	35,381	773	3,748
	<b>1,825,203</b>	<b>1,896,541</b>	<b>1,882,599</b>	<b>1,927,927</b>	<b>94,682</b>	<b>82,954</b>
Jointly controlled entities and associates			139,746	116,880		
Total assets			<b>2,022,345</b>	<b>2,044,807</b>		

### 37 CHANGES IN ACCOUNTING POLICIES

The list of new accounting standards, amendments to published standards and interpretations on existing standards that are effective for the Group's financial year beginning on or after 1 July 2007 is set out in accounting policy A – Basis of Preparation.

The following describes the impact of new standards, amendments and interpretations on the financial statements of the Group and Company.

(a) Irrelevant or immaterial effect on financial statements

The adoption of FRS 6, 107, 111, 118, 120, 124, 134, 137, amendment to FRS 119<sub>2004</sub>, amendment to FRS 121 and ICs did not have a material impact on the financial statements of the Group and Company. In summary:

- FRS 6, 120 and amendment to FRS 119<sub>2004</sub> and ICs are not relevant to the Group's and Company's operations
- FRS 107, 111, 118, 134 and 137 and amendment to FRS 121 had no material effect on the Group's and Company's policies.
- FRS 124 only affects disclosure of transactions with related parties.

(b) Reclassification of prior year comparatives

Set out below are changes in accounting policies that resulted in reclassification of prior year comparatives but did not effect the recognition and measurement of the Group's and Company's net assets:

- FRS 117 resulted in the reclassification of leasehold land from property, plant and equipment to prepaid land lease payments.

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception date of the lease. Prior to 1 July 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**37 CHANGES IN ACCOUNTING POLICIES** (cont'd)

(b) Reclassification of prior year comparatives (cont'd)

Upon the adoption of the revised FRS 117 at 1 July 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and certain comparative amounts have been restated as follows:

	As previously reported RM'000	Effect of changes in policies RM'000	As restated RM'000
<b>Group</b>			
<b>At 30 June 2006</b>			
<b>Balance sheet</b>			
Property, plant and equipment	265,497	(11,210)	254,287
Prepaid land lease payments	0	11,210	11,210
<b>Income statement</b>			
Property, plant and equipment:			
- depreciation	48,784	(1,407)	45,907
Amortisation of prepaid land lease payments	0	1,407	1,407
<b>At 30 June 2007</b>			
<b>Balance sheet</b>			
Property, plant and equipment	294,452	(13,251)	281,201
Prepaid land lease payments	0	13,251	13,251
<b>Income statement</b>			
Property, plant and equipment:			
- depreciation	38,871	(165)	38,706
Amortisation of prepaid land lease payments	0	165	165

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**37 CHANGES IN ACCOUNTING POLICIES** (cont'd)

(c) FRS 112: Income Taxes

The adoption of the revised FRS 112 has resulted in a retrospective change in the accounting policy relating to recognition of deferred tax on the reinvestment allowance which was not allowed to be recognized on the basis of the tax-based approach adopted in the previous FRS regime.

Upon the adoption of the revised FRS 112 as at 1 July 2007, certain comparatives amounts has been accounted for retrospectively and restated as follows:

	As previously reported RM'000	Effect of changes in policies RM'000	As restated RM'000
<b>Group</b>			
<b>At 30 June 2006</b>			
<b>Balance sheet</b>			
Accumulated losses	(300,779)	449	(300,330)
Deferred tax liabilities	17,546	(449)	17,097
<b>Income statement</b>			
Taxation	(29,604)	449	(29,155)
<b>At 30 June 2007</b>			
<b>Balance sheet</b>			
Accumulated losses	(310,539)	826	(309,713)
Deferred tax liabilities	16,253	(826)	15,427
<b>Income statement</b>			
Taxation	(21,887)	377	(21,510)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

### 38 COMPARATIVES

Comparative figures have been adjusted or extended to conform to current year's presentation.

	As previously reported RM'000	Restatement RM'000	As restated RM'000
<b>Group</b>			
<b>At 30 June 2007</b>			
<b>Balance sheet</b>			
Interest in jointly controlled entities	682	44,597	45,279
Receivables	958,895	(57,351)	901,544
Payables	(699,726)	12,754	(686,972)
	259,851	0	259,851

### 39 CONTINGENT LIABILITIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Guarantees given to bankers for facilities obtained and utilised by:				
- subsidiaries	0	0	135,654	321,525
Guarantees given to third parties in respect of contracts and trade performance of:				
- Group	902,959	870,038	0	0
- subsidiaries	0	0	822,235	815,821
	902,959	870,038	957,889	1,137,346

Guarantees to third parties in respect of contracts and trade performance include certain contracts entered into by a subsidiary of the Group where there is no specific indication of the total liability in the event of default.

### 39 CONTINGENT LIABILITIES (cont'd)

#### Material outstanding litigations

- (i) On 9 January 1999, L' Grande Development Sdn Bhd ("L' Grande") had appointed Sunway PMI-Pile Construction Sdn Bhd ("SPMI") to perform work and supply of labour, materials, plants and equipments from the pile design for the construction of 331 units of double store terrace houses. A legal suit was filed by L' Grande against Bukit Cerakah Development Sdn Bhd ("BC") for the sum of RM5.9 million due under the interim certificates. BC has filed a counterclaim against the plaintiff for damages suffered by them in the sum of RM46.2 million for demolishing, rebuilding and carrying out rectifying works to the double storey houses that were structurally damaged and ancillary losses due to failure to complete the piling works in accordance with specifications and drawings. L' Grande has issued third party notice on 26 May 2004 against SPMI for indemnity against the failure of the piling works that was carried out. L' Grande has filed and served the Statement of Claim against SPMI. SPMI has accordingly filed the Statement of Defence against L' Grande's statement of claim. The case was fixed for case management on 3 March 2005 and further case management on 5 December 2005 and subsequently to 18 April 2006. The Learned Judge gave directions to the parties to file their Agreed and Non-Agreed Bundles, before the next case management on 14 August 2006. The Learned Judge had also set the trial dates as 25 to 29 January 2010 and 8 to 12 February 2010.

SPMI's solicitors had put in place a defence, which in the solicitors' opinion covered and explained all aspect of SPMI's contractual obligations and mitigating liability. Although the counterclaim against the Plaintiff was RM46.2 million, it was unlikely that the final judgment would be for this sum as the claimant had the onerous task of proving his claim. In the solicitors' opinion, the defence suffices and was more than adequate and should justice prevail, the solicitors were confident that this matter should be dismissed.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

- (ii) A suit was filed by Affin Bank Berhad ("Affin") against, inter alia, Yap Yee Ping and Ng Kam Hung ("Plaintiffs") for payment of an amount of RM27.7 million and/or any other amount to Affin. The Plaintiffs are seeking, inter alia, certain declarations and also an order that SunwayMas Sdn Bhd ("SunwayMas"), a wholly owned subsidiary of the Group, indemnifies the Plaintiffs for all claims brought against them by Affin in relation to a tripartite agreement executed amongst Cindai Unggul Sdn Bhd ("Employer"), SunwayMas and BSN Commercial Bank Bhd (Now vested in Affin) on 2 May 2000. SunwayMas was appointed as a Project Manager to revive, manage and coordinate the development and construction of the Employer on a piece of land in the Mukim of Pulau, District of Johor Bahru, Johor.

Arising from this suit, the Plaintiffs have filed a counterclaim action against Affin and SunwayMas as the second defendant on 9 May 2008. Thereafter, the Plaintiffs have served a Statement of Defence and Counterclaim ("Counterclaim") on SunwayMas.

SunwayMas's solicitors are of the opinion that the chances of success of the Plaintiffs' claim against SunwayMas are negligible.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

- (iii) On 4 September 2008, the solicitors of Sunway Construction Sdn Bhd ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("Bank Guarantees") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed a sole arbitrator and two preliminary sittings have been held to date. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs891,455,058.00 (approximately equivalent to RM70 million).

SunCon will serve the reply to the Statement of Claim before 5 January 2009.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

#### 40 SIGNIFICANT RELATED PARTY DISCLOSURES

Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd, Sunway City Berhad and its subsidiaries are deemed to be related to the Company by virtue of Tan Sri Dato' Seri Dr Cheah Fook Ling being the common director of the related parties and the Company as well as by virtue of Tan Sri Dato' Seri Dr Cheah Fook Ling's mutual interest in both the related parties and the Company.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions negotiated among the parties.

	2008 RM'000	2007 RM'000
<b>Group</b>		
(a) Contract revenue from:		
Companies connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
- Sunway City Berhad	20,296	95,616
- Sunway City (Ipoh) Sdn Bhd	71	1,439
- Sunway D'Mont Kiara Sdn Bhd	62,727	65,136
- Sunway Pyramid Sdn Bhd	85,849	162,699
- Sunway Carnival Sdn Bhd	13,099	68,470
- Sunway South Quay Sdn Bhd	8,809	2,409
- Sunway Medical Centre Sdn Bhd	43,973	0
- Sunway Resort Hotel Sdn Bhd	2,290	0
- Sunway City Properties Sdn Bhd	736	0
- Sunway Bukit Gambier Sdn Bhd	676	0
(b) Rental of office space from:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
- Menara Sunway Sdn Bhd	3,786	3,343
(c) Interest income from:		
Companies connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
- Sunway City Berhad	125	108
- Sunway Pyramid Sdn Bhd	1	(290)
- Sunway Resort Hotel Sdn Bhd	70	30
- Sunway Medical Holdings Sdn Bhd	483	0

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**40 SIGNIFICANT RELATED PARTY DISCLOSURES** (cont'd)

	2008 RM'000	2007 RM'000
<b>Group</b> (cont'd)		
(d) Management fees to:		
Companies connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Allson International Management Ltd	1,328	1,009
(e) Purchase of travel services from:		
Companies connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Sunway Travel Sdn Bhd	2,354	2,300
(f) Purchase of advertising services from:		
Companies connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Adasia Sdn Bhd	364	238
(g) Corporate advisory fee from:		
Companies connected to a major shareholder (Sunway Infrastructure Berhad and its subsidiaries):		
- Sunway Infrastructure Bhd	1,500	0
(h) Remuneration of key management personnel:		
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel of the Group include all the Directors of the Group who make certain critical decisions in relation to the strategic direction of the Group.		
- salaries and bonuses	5,076	4,152
- estimated money value of benefits-in-kind	281	269
- national defined contribution plan	612	493
- ESOS	53	0
- other benefits	230	163
	6,252	5,077
Included in the total key management personnel are:		
- directors' remuneration (Note 8)	5,765	4,638

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**40 SIGNIFICANT RELATED PARTY DISCLOSURES** (cont'd)

	2008 RM'000	2007 RM'000
<b>Company</b>		
(a) Rental of office space from:		
Company connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Menara Sunway Sdn Bhd	1,151	1,032
(b) Purchase of travel services from:		
Companies connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Sunway Travel Sdn Bhd	60	95
(c) Purchase of advertising services from:		
Companies connected to a major shareholder/ common directors (Sunway City Berhad and its subsidiaries):		
- Adasia Sdn Bhd	233	185
(d) Interest income from:		
Subsidiaries:		
- Sunway Global Ltd	1,506	1,088
- Sunway Juarasama Sdn Bhd	338	337
(e) Management fees from:		
Subsidiaries:		
- Sunway Construction Sdn Bhd	12,161	9,536
- Sunway Keramo Sdn Bhd	1,745	1,631
- SunwayMas Sdn Bhd	1,213	1,134
- Sunway Marketing Sdn Bhd	728	681
- Sunway BPO Sdn Bhd	630	630

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**40 SIGNIFICANT RELATED PARTY DISCLOSURES** (cont'd)

	2008 RM'000	2007 RM'000
<b>Company</b> (cont'd)		
(f) Dividend income from:		
Subsidiaries:		
- SunwayMas Sdn Bhd	12,500	5,250
- Sunway Marketing Sdn Bhd	2,500	1,320
- Sunway Leasing Sdn Bhd	3,400	3,315
- Sunway Management Sdn Bhd	2,550	1,000
- Sunway Quarry Industries Sdn Bhd	0	2,340
- Sunway Keramo Sdn Bhd	450	5,610
- Sunway Risk Management Sdn Bhd	1,000	3,650
(g) Interest expense to:		
Subsidiaries:		
- Sunway Construction Sdn Bhd	2,818	1,183
- Sunway Keramo Sdn Bhd	1,095	845
- SunwayMas Sdn Bhd	1,905	679
- Sunway Marketing Sdn Bhd	592	656
(h) Corporate advisory fee from:		
Companies connected to a major shareholder (Sunway Infrastructure Berhad and its subsidiaries):		
- Sunway Infrastructure Bhd	1,500	0
(i) Remuneration of key management personnel:		
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel of the Company include all the Directors of the Company who make certain critical decisions in relation to the strategic direction of the Company.		
- salaries and bonuses	3,306	2,418
- estimated money value of benefits-in-kind	139	133
- national defined contribution plan	404	292
- ESOS	53	0
- other benefits	145	94
	4,047	2,937
Included in the total key management personnel are:		
- directors' remuneration (Note 8)	4,047	2,937

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

## 41 FINANCIAL INSTRUMENTS

As at balance sheet date, the Group had entered into forward foreign currency contracts with the following carrying amounts and fair values:

	Group	
	Carrying amount RM'000	Fair value RM'000
Forward foreign currency contracts - gain	0	161

## 42 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There was no material events subsequent to the year ended 30 June 2008, except for:

- (a) The Group had on 29 July 2008, entered into a Share Sale Agreement ("SSA") for the proposed acquisition of 90 ordinary shares, representing 90% equity interest in Totalrubber Ltd ("Totalrubber") for a total cash consideration of AUD4.5 million (equivalent to approximately RM14.2 million) with the following parties:

- (i) Parshenka Pty Limited ("Parshenka"), Roflex Pty Ltd ("Roflex"), Fifteenth Sonmar Pty Ltd ("Fifteenth Sonmar"); and
- (ii) John Gerald Keays, Yvonne Eileen Rose Keays and Francis Ling.

Totalrubber is a company incorporated in Australia and its principal activities are importation and distribution of rubber products at various locations in Australia.

The acquisition was deemed completed by end of August 2008 and the provisional fair value of net assets acquired by the Group was RM3.4 million and the provisional goodwill on acquisition amounted to RM10.8 million.

- (b) RHB Investment Bank Berhad ("RHB") had on 18 August 2008, announced on behalf of the Company, the intention to undertake the following proposals (collectively known as the "Proposals"):

- (i) proposed renounceable rights issue of up to 257,268,991 New Warrants in Sunway at an issue price of RM0.02 per New Warrant for every 3 Sunway Shares held at a date to be determined ("Entitlement Date");
- (ii) proposed restricted issue of up to 8,955,825 New Warrants in Sunway at an issue price of RM0.02 per New Warrant to the ESOS holders on the basis of 1 New Warrant for every 3 existing ESOS Options held on the Entitlement Date; and
- (iii) proposed restricted issue of up to 65,660,057 New Warrants in Sunway at an issue price of RM0.02 per New Warrant to the Entitled Warrants Holders on the basis of 1 New Warrant for every 3 Unexercised Warrants held on the Cut-Off Date.

Bank Negara Malaysia has vide its letter dated 29 September 2008 approved the issuance of Warrants to non-residents of Malaysia pursuant to the Proposals.

Securities Commission ("SC") has vide its letter dated 9 October 2008 approved the Proposals pursuant to Section 212(5) of the Capital Markets and Services Act, 2007 and the Foreign Investment Committee's Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests.

- (c) On 5 September 2008, the Group entered into a Joint Venture Agreement ("JVA") with Hoi Hup Realty Pte Ltd ("Hoi Hup Realty") and Hoi Hup J.V. Development Pte Ltd ("Hoi Hup JV") to set up a joint venture company known as Hoi Hup Sunway J.V. Pte Ltd ("Hoi Hup Sunway JV") for the execution and performance of the design, construction, completion and development of the Project under the Design, Build and Sell Scheme ("the Project").

Hoi Hup Realty is a company incorporated in Singapore and its principal activities are construction of building and civil works and property and housing development.

Hoi Hup JV is a company incorporated in Singapore and its principal activity is property and housing development.

Under the JVA, the Group would have a 30% interest in Hoi Hup Sunway JV.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 (cont'd)

**42 SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE SHEET DATE** (cont'd)

- (d) The Group had on 23 September 2008, accepted the letter of award for a contract amounting to AED1.875 billion (equivalent to approximately RM1.80 billion) from Mubadala CapitalLand Real Estate LLC ("Capitala") for the proposed Arzanah Development – Rihan Heights, first phase Main Building Works which comprises 5 residential towers, a 3-level podium, 14 townhouse, a clubhouse and approximately 1,208 car park spaces together with associated landscaping, external works and services in Abu Dhabi, United Arab Emirates ("the Project").

Sunway Innopave Sdn Bhd, a wholly-owned subsidiary of the Group, had on 23 March 2008, formed an unincorporated joint venture with Silver Coast Construction & Boring LLC ("Silver Coast"), known as "Silver Coast – Sunway Innopave Joint Venture" and signed a Joint Venture Agreement ("JVA") with Silver Coast for the purpose of recording their respective rights and obligations between themselves in connection with the tender, execution and performance of the design, construction and completion of the Project. Under the JVA, the Group would have a 60% interest in the Project.

Silver Coast is a company incorporated in Abu Dhabi and its principal activities are building, electromechanical, and civil and infrastructure construction work.

**43 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 14 October 2008.

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Yau Kok Seng and Koong Wai Seng, two of the Directors of Sunway Holdings Berhad (formerly known as Sunway Holdings Incorporated Berhad), state that, in the opinion of the Directors, the financial statements set out on pages 95 to 212 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 30 June 2008 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with a resolution dated 14 October 2008.



**YAU KOK SENG**  
MANAGING DIRECTOR



**KOONG WAI SENG**  
FINANCE DIRECTOR

Petaling Jaya

## STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Koong Wai Seng, the Director primarily responsible for the financial management of Sunway Holdings Berhad (formerly known as Sunway Holdings Incorporated Berhad), do solemnly and sincerely declare that the financial statements set out on pages 95 to 212 are, to the best of my knowledge and belief, 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.



**KOONG WAI SENG**

Subscribed and solemnly declared by the abovenamed Koong Wai Seng at Petaling Jaya in the State of Selangor Darul Ehsan on 14 October 2008, before me.



No. 49A, 1st Floor,  
Jalan USJ 10/1F,  
47620 UEP Subang Jaya, Selangor

COMMISSIONER FOR OATHS



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY HOLDINGS BERHAD

(formerly known as Sunway Holdings Incorporated Berhad) (Incorporated in Malaysia) (Company No. 37465 A)

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sunway Holdings Berhad (formerly known as Sunway Holdings Incorporated Berhad), which comprise the balance sheets as at 30 June 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 95 to 212.

### 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 the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. 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 judgment, 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 accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements have been properly drawn up in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2008 and of their financial performance and cash flows 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 the subsidiaries of which we have not acted as auditors, which are indicated in note 16 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

## OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**PRICEWATERHOUSECOOPERS**  
(No. AF: 1146)  
Chartered Accountants



**ERIC OOI LIP AUN**  
(No. 1517/06/10 (J))  
Chartered Accountant

Kuala Lumpur  
14 October 2008

# LIST OF PROPERTIES

## AS AT 30 JUNE 2008

Location / Address	Description	Tenure	Site / Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 30.6.2008 RM'000	Date of Acquisition
Wisma Masalam, Lot 1, Jalan Tengku Ampuan Zabedah C 9/C, Section 9, 40100 Shah Alam, Selangor Darul Ehsan	20 storey office building	99 years leasehold expiring 29 Aug 2094	158,008 sq. ft.	Rented out/ vacant	12	44,600	2 Sep 1995
Subang Square, Commercial Complex, Jalan SS 15/4G, Subang Jaya, Selangor Darul Ehsan	Commercial building	Freehold	92,016 sq. ft.	Rented out	9	27,346	N/A
Lot 2396, Title No. 10140, Mukim of Batang Kali, Daerah Ulu Selangor	Industrial land and building	Freehold	44 acres	Manufacturing of concrete products	11	24,977	9 Jul 1996
19, Pham Dinh Ho, Hai Ba Trung District, Hanoi, Vietnam	Hotel - 10 floors 2 basement (No. of rooms: 143)	30 years leasehold expiring 14 Sep 2027	9,840 sq. mtr.	Hotel operation	10	20,653	3 Jan 1998
Lot 1316, 1351-1352, 1355, 1683-1684 Lot 1401-1406, 1408-1410, 1412-1413 Mukim Cheras, District of Hulu Langat, Selangor Darul Ehsan	Land for development	Freehold	111.42 acres	Future property development	-	17,833	26 Nov 2007
Lot 1217-1218, Lot 1225-1227, Mukim Ulu Kelang, District of Gombak, Kuala Lumpur	Land for development	Freehold	13.80 acres	Future property development	-	17,070	27 Jun 2007
Geran No 28698, Lot 1858, Mukim Serendah, District of Hulu Selangor, Selangor Darul Ehsan	Land for development	Freehold	100 acres	Future property development	-	11,750	25 Jan 1996
Subang Square, Commercial Complex, Jalan SS15/4G, Subang Jaya, Selangor Darul Ehsan	Car park	Freehold	293,075 sq. ft.	Car park	9	10,341	N/A
19, Senoko South Road, Singapore 758708	Industrial building	60 years leasehold expiring 30 Nov 2053	7,923 sq. mtr.	Warehouse	14	9,651	N/A
HSD No 25423 PT No 11894, HSD No 26690 PT No 12139, No Pendaftaran 7363, Lot 14256, Section 19, Mukim of Rawang, District of Gombak, Selangor Darul Ehsan	Land for development	99 years leasehold expiring 16 Jul 2094	156 acres	Future property development	-	8,235	5 Mar 1997

# RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Chapter 10, Paragraph 10.09(1)(b) and Practice Note No. 12/2001 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 30 June 2008 are as follows:-

Class of Mandated Related Party	Nature of Transaction	Sales RM'000
Sunway City Berhad ("SunCity") Group	Construction and related services* and/or mechanical engineering and related services.	239,123

Note:

\* 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

Class of Mandated Related Party	Provision of Financial Assistance	RM'000
SunCity Group	Provision of guarantee, indemnity or such other collateral to or in favour of another person which is necessary in order to procure a contract or secure work from the other person to commence and/or complete a contract or work for the Sunway Group.	8,369

## Relationship of Related Parties with Sunway Group

### SunCity Group

- (a) Tan Sri Dato' Seri Dr Cheah Fook Ling is a Director and Major Shareholder of Sunway Group and SunCity Group.
- (b) Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, the spouse of Tan Sri Dato' Seri Dr Cheah Fook Ling, who is a Director of Sunway Management Sdn Bhd (a wholly-owned subsidiary of Sunway) and a Major Shareholder of Sunway Group, is also a Director of Sunway Lagoon Club Berhad (a 84% owned subsidiary of SunCity) and a Major Shareholder of SunCity Group.
- (c) Sarena Cheah Yean Tih, the child of Tan Sri Dato' Seri Dr Cheah Fook Ling, is a Director in several subsidiaries of SunCity as well as a Major Shareholder of Sunway Group and SunCity Group.
- (d) Evan Cheah Yean Shin, the child of Tan Sri Dato' Seri Dr Cheah Fook Ling, who is an Alternate Director in several subsidiaries of Sunway and a Major Shareholder of Sunway Group, is also the Alternate Director to Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng in Sunway Lagoon Club Berhad.

# DIRECTORS' INTERESTS IN SHARES, OPTIONS OVER ORDINARY SHARES AND WARRANTS AS AT 8 OCTOBER 2008

## DIRECTORS' INTERESTS IN THE COMPANY

Direct Interest	Ordinary Shares of RM1.00 each	
	No.	%
Tan Sri Dato' Seri Dr Cheah Fook Ling	16,002,094	3.06
Dato' Chew Chee Kin	1,072,700	0.21
Yau Kok Seng	1,000,000	0.19
Dato' Tan Kia Loke	275,000	0.05
Kwan Foh Kwai	660,000	0.13
Wong Chin Mun	10,000	#
Datuk Abdul Malek Bin Abdul Aziz	3,000	#
<b>Deemed Interest</b>		
Tan Sri Dato' Seri Dr Cheah Fook Ling <sup>1</sup>	221,278,677	42.29
Kwan Foh Kwai <sup>2</sup>	410,000	0.08
Datuk Low Seng Kuan <sup>2</sup>	200,000	0.04

## Options over Ordinary Shares of RM1.00 each

Direct Interest	No.
Tan Sri Dato' Seri Dr Cheah Fook Ling	2,500,000
Dato' Chew Chee Kin	1,000,000
Yau Kok Seng	1,000,000
Dato' Tan Kia Loke	1,000,000
Wong Chin Mun	50,000
Datuk Low Seng Kuan	50,000
Datuk Abdul Malek Bin Abdul Aziz	50,000

**Warrants 2004/2008**

<b>Direct Interest</b>	<b>No.</b>	<b>%</b>
Tan Sri Dato' Seri Dr Cheah Fook Ling	2,870,732	1.46
Dato' Chew Chee Kin	1,260,000	0.64
Dato' Tan Kia Loke	446,455	0.23
Wong Chin Mun	3,500	#
Datuk Abdul Malek Bin Abdul Aziz	1,050	#
<b>Deemed Interest</b>		
Tan Sri Dato' Seri Dr Cheah Fook Ling <sup>3</sup>	91,937,807	46.67
Kwan Foh Kwai <sup>2</sup>	150,000	0.08

By virtue of Tan Sri Dato' Seri Dr Cheah Fook Ling's substantial interest in the shares of Sunway, he is also deemed to have a substantial interest in shares of the subsidiaries of Sunway to the extent Sunway has an interest.

## NOTES:

- <sup>1</sup> Deemed interested through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and children
- <sup>2</sup> Deemed interested through spouse
- <sup>3</sup> Deemed interested through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd and children
- # Negligible

## **DIRECTORS' INTEREST IN THE COMPANY'S SUBSIDIARY SUNWAY GLOBAL LIMITED**

**Ordinary Shares of HK\$1.00 each**

<b>Direct Interest</b>	<b>No.</b>	<b>%</b>
Dato' Chew Chee Kin	869,684	4.51
Yau Kok Seng	820,456	4.25

# ANALYSIS OF SHAREHOLDINGS

## AS AT 8 OCTOBER 2008

Authorised Share Capital	- RM1,000,000,000
Issued and Paid-up Share Capital	- RM547,960,033
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	248	2.18	10,543	0.01
100 - 1,000	3,537	31.04	3,417,749	0.62
1,001 - 10,000	5,889	51.68	25,916,249	4.73
10,001 - 100,000	1,465	12.86	43,036,695	7.85
100,001 - 27,398,000 (Less than 5% of issued shares)	254	2.23	267,812,604	48.87
27,398,001 (5%) and above	1	0.01	207,766,193	37.92
	<b>11,394</b>	<b>100.00</b>	<b>547,960,033</b>	<b>100.00</b>

### THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

	Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
1	Sungei Way Corporation Sdn Bhd	-	207,766,193	37.92
2	Oriental Dragon Enterprises Inc.	-	24,899,000	4.54
3	Sunway Holdings Berhad (Share Buy-Back Account)	-	23,155,700	4.23
4	Zeon Ventures Sdn Bhd	-	14,674,100	2.68
5	Lean Hoen Sew	-	13,712,700	2.50
6	Tan Sri Dato' Seri Dr Cheah Fook Ling	-	13,564,506	2.48
7	Teng Yew Huat	-	12,775,100	2.33
8	Teng Yew Huat	-	11,297,416	2.06
9	Employees Provident Fund Board	-	9,481,900	1.73
10	ABB Nominee (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	8,500,000	1.55
11	Amanah Raya Nominees (Tempatan) Sdn Bhd	Sekim Amanah Saham Nasional	6,550,000	1.20
12	Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund BZ20	Zephyr Aurora Master Fund, L.P.	6,134,100	1.12
13	Lim Boon Ping	-	5,929,600	1.08
14	Citigroup Nominees (Asing) Sdn Bhd - CBNY	DFA Emerging Markets Fund	4,077,900	0.74
15	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	Prudential Fund Management Berhad	3,861,000	0.70
16	RHB Capital Nominees (Tempatan) Sdn Bhd	Choong Foong Ming	3,696,700	0.67
17	HSBC Nominees (Asing) Sdn Bhd - PICTET and CIE for PAM Fund S.A., SICAV-SIF	Global Emerging Markets Small Cap	2,881,100	0.53
18	Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	2,700,000	0.49



	<b>Name of Shareholders</b>	<b>Name of Beneficial Owners</b>	<b>No. of Shares</b>	<b>%</b>
19	Aneka Lancar Sdn Bhd	-	2,697,200	0.49
20	Lean Hoen Sew	-	2,570,600	0.47
21	Tan Sri Dato' Seri Dr Cheah Fook Ling	-	2,427,588	0.44
22	Sunway Leasing Sdn Bhd	Hamzah Bin Abdul Majid	2,100,000	0.38
23	HSBC Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	2,000,000	0.36
24	Amsec Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad	HLG Strategic Fund (UT-HLG-SF)	2,000,000	0.36
25	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt AN	MIDF Amanah Asset Nominees (Tempatan) Sdn Bhd	1,932,400	0.35
26	Amanah Raya Nominees (Tempatan) Sdn Bhd	AUTB Progress Fund	1,676,900	0.31
27	Sunway Holdings Berhad (Share Buy-Back Account)	-	1,532,600	0.28
28	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB	Oh Kim Sun	1,529,000	0.28
29	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB	Dato' Lim Say Chong	1,529,000	0.28
30	Kumpulan Wang Simpanan Pekerja	-	1,500,000	0.27

## SUBSTANTIAL SHAREHOLDERS

	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>%</b>
1	Tan Sri Dato' Seri Dr Cheah Fook Ling		
	• Direct interest	16,002,094	3.06
	• Deemed interest #a	221,278,677	42.29
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
	• Direct interest	1,332,284	0.26
	• Deemed interest #b	235,948,487	45.09
3	Sarena Cheah Yean Tih		
	• Direct interest	5,000	*
	• Deemed interest #c	237,209,771	45.33
4	Evan Cheah Yean Shin		
	• Direct interest	66,000	0.01
	• Deemed interest #c	237,209,771	45.33
5	Sungei Way Corporation Sdn Bhd	219,875,393	42.02
6	Timah Dunia Dredging Sdn Bhd #d	219,875,393	42.02
7	Active Equity Sdn Bhd #e	219,875,393	42.02

### NOTES:

- #a Deemed interested through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and children
- #b Deemed interested through spouse and children
- #c Deemed interested through parents
- #d Deemed interested through Sungei Way Corporation Sdn Bhd
- #e Deemed interested through Timah Dunia Dredging Sdn Bhd and Sungei Way Corporation Sdn Bhd
- \* Negligible

# ANALYSIS OF WARRANTHOLDINGS

## AS AT 8 OCTOBER 2008

### DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	964	31.13	39,757	0.02
100 - 1,000	705	22.76	376,159	0.19
1,001 - 10,000	926	29.90	3,541,014	1.80
10,001 - 100,000	358	11.56	13,221,673	6.71
100,001 - 9,848,772 (Less than 5% of warrants in issue)	142	4.59	80,307,840	40.77
9,848,773 (5%) and above	2	0.06	99,489,021	50.51
	<b>3,097</b>	<b>100.00</b>	<b>196,975,464</b>	<b>100.00</b>

### THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

	Name of Warrantholders	Name of Beneficial Owners	No. of Warrants	%
1	Sungei Way Corporation Sdn Bhd	-	87,120,921	44.23
2	Oriental Dragon Enterprises Inc.	-	12,368,100	6.28
3	Zeon Ventures Sdn Bhd	-	6,923,800	3.52
4	Wong Poi Kien	-	6,505,000	3.30
5	Teng Yew Huat	-	6,085,275	3.09
6	Sungei Way Corporation Sdn Bhd	-	4,455,686	2.26
7	Lean Hoen Sew	-	4,245,575	2.16
8	HDM Nominees (Tempatan) Sdn Bhd	Teng Yew Huat	3,277,700	1.66
9	Tam May Chow	-	2,381,200	1.21
10	Tan Chin Hoe	-	2,214,501	1.12
11	Lim Peck Hoon	-	1,883,700	0.96
12	Oh Kim Sun	-	1,503,700	0.76
13	Lee Chee Wai	-	1,426,000	0.72
14	Teng Yew Huat	-	1,378,000	0.70
15	Dato' Chew Chee Kin	-	1,260,000	0.64
16	Tan Sri Dato' Seri Dr Cheah Fook Ling	-	1,142,577	0.58
17	HDM Nominees (Tempatan) Sdn Bhd	Wong Chung Ming	1,140,095	0.58
18	Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	945,000	0.48
19	Tan Sheng Chye	-	900,000	0.46
20	Tan Sri Dato' Seri Dr Cheah Fook Ling	-	878,500	0.45
21	Tan Sri Dato' Seri Dr Cheah Fook Ling	-	849,655	0.43

	<b>Name of Warrantholders</b>	<b>Name of Beneficial Owners</b>	<b>No. of Warrants</b>	<b>%</b>
22	Indy Properties Limited	-	769,900	0.39
23	Lim Boon Ping	-	649,000	0.33
24	Ng Yoon Peng	-	600,000	0.30
25	Wong Wai Lee	-	570,000	0.29
26	Yeo Heng Yueh	-	564,000	0.29
27	Cheong Sow Chee	-	550,000	0.28
28	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB	Dato' Lim Say Chong	535,000	0.27
29	HLG Nominee (Tempatan) Sdn Bhd	Lai Yew Chuan	532,000	0.27
30	Kong Kok Leong	-	530,000	0.27

# NOTICE OF 30TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 30th Annual General Meeting of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) (37465-A) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. for the following purposes:-

## AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To declare a final dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008 as recommended by the Directors. (Ordinary Resolution 2)
3. To approve the payment of Directors' fees amounting to RM54,000 for the financial year ended 30 June 2008. (Ordinary Resolution 3)
4. To re-elect the following Directors:-
  - 4.1 Dato' Tan Kia Loke retires by rotation pursuant to Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)
  - 4.2 Yau Kok Seng retires by rotation pursuant to Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 5)
  - 4.3 Koong Wai Seng retires pursuant to Article 120 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 6)
5. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, Datuk Abdul Malek Bin Abdul Aziz 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)
6. To re-appoint Messrs PricewaterhouseCoopers 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:-

### 7. 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)

8. **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 18 November 2008 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 to be held in 2009 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 shall 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)

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 ("Sunway Shares") which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Sunway Shares shall not exceed the Company's audited retained profits and/or share premium account at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 11)

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the 30th Annual General Meeting to be held on 10 December 2008, a final dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008 will be paid on 26 February 2009 to Depositors whose names appear in the Record of Depositors on 30 January 2009.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Securities transferred into the Depositor's securities account before 4.00 p.m. on 30 January 2009 in respect of transfers;
- (b) Securities deposited into the Depositor's securities account before 12.30 p.m. on 28 January 2009 in respect of securities exempted from mandatory deposit; and
- (c) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**PUAN SRI DATIN SERI (DR) SUSAN CHEAH SEOK CHENG** (MIA 5601)

**TAN KIM AUN** (MAICSA 7002988)

**LEE SUAN CHOO** (MAICSA 7017562)

Company Secretaries

Petaling Jaya

18 November 2008

#### 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 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.

##### 2. Ordinary Resolution 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 18 November 2008.

##### 3. Ordinary Resolution 11 - Proposed Authority for the Purchase of Own Shares by the Company

The details on the proposed authority for the purchase of own shares by the Company are set out in the Circular to Shareholders dated 18 November 2008.

## STATEMENT ACCOMPANYING NOTICE OF 30TH ANNUAL GENERAL MEETING

#### DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION AND RE-APPOINTMENT

The details of the Directors who are standing for re-election and re-appointment namely Dato' Tan Kia Loke, Yau Kok Seng, Koong Wai Seng and Datuk Abdul Malek Bin Abdul Aziz are set out in the "Profile of Board of Directors".

Their interests in the securities of the Company and its subsidiaries are set out in the "Directors' Interests in Shares, Options over Ordinary Shares and Warrants".



# FORM OF PROXY

## 30th Annual General Meeting

Number of share(s) held	
CDS Account No.	



**SUNWAY HOLDINGS BERHAD** (37465-A)  
(formerly known as Sunway Holdings Incorporated Berhad)  
(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 8845  
Fax : 03-5639 9507

### PROXY "A"

I/We ..... \*NRIC No./Passport No./Company No.....  
(Please use Block Letters)

Tel./Mobile No ..... of .....

being a member of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) and entitled to vote hereby appoint .....

..... \*NRIC No./Passport No. .... Tel./Mobile No..... of

or failing him/her, the Chairman of the Meeting as my/our 1st proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. and at any adjournment thereof.

**WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED.**

### PROXY "B"

I/We ..... \*NRIC No./Passport No./Company No.....  
(Please use Block Letters)

Tel./Mobile No ..... of .....

being a member of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) and entitled to vote hereby appoint .....

..... \*NRIC No./Passport No. .... Tel./Mobile No..... of

or failing him/her, the Chairman of the Meeting as my/our 2nd proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. and at any adjournment thereof.

**The proportions of my/our holding to be represented by my/our proxies are as follows:-**

1st Proxy "A" - % (to be completed)

2nd Proxy "B" - % (to be completed)

Total : 100%

**In case of a vote taken by a show of hands, \*1st Proxy "A" / \*2nd Proxy "B" shall vote on my/our behalf.**

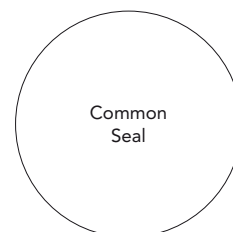
\* Delete if inapplicable

My/our proxy/proxies shall vote as follows:-

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion)

NO.	ORDINARY RESOLUTIONS	1ST PROXY "A"		2ND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon				
2.	To declare final dividend				
3.	To approve the payment of Directors' fees				
4.	To re-elect the following Directors:- Dato' Tan Kia Loke				
5.	Yau Kok Seng				
6.	Koong Wai Seng				
7.	To approve the re-appointment of Datuk Abdul Malek Bin Abdul Aziz as Director				
8.	To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration				
9.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
10.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
11.	To authorise the purchase of own shares by the Company				

Dated this ..... day of ..... 2008



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 need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
- If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
- Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

PLEASE FOLD HERE

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STAMP

THE COMPANY SECRETARY

**SUNWAY HOLDINGS BERHAD** (37465-A)  
*(formerly known as Sunway Holdings Incorporated Berhad)*

LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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# CORPORATE DIRECTORY

## BUILDING MATERIALS DIVISION

### SUNWAY KERAMO SDN BHD

(Manufacturer of Vitrified Clay Pipes)  
Lot 6489 & 6490, Off 6th Mile, Jalan Kapar  
42100 Klang, Selangor Darul Ehsan, Malaysia  
Tel: (603) 3291 5288 Fax: (603) 3291 5388  
Website: [www.sunway.com.my/sunwaykeramo/](http://www.sunway.com.my/sunwaykeramo/)

### SUNWAY PIPEPLUS TECHNOLOGY SDN BHD\*

(Manufacturer of Reinforced Concrete Pipes)  
#3.2, Level 3  
Tel: (603) 5639 8282 Fax: (603) 5639 9600

#### Factory:

Batang Kali: Lot 2396, Seksyen 5, Mukim Batang Kali  
44300 Daerah Hulu Selangor  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6057 4902 Fax: (603) 6057 2301

### SUNWAY PAVING SOLUTIONS SDN BHD\*

(Manufacturer of Eurotiles and Interlocking Concrete Pavers)  
#3.2, Level 3

KL Sales Office: Tel: (603) 5639 8282  
Fax: (603) 5639 9600

Penang Sales Office: Tel: (604) 593 8697/8 Fax: (604) 593 8695

Johor Sales Office: Tel: (607) 599 5553 Fax: (607) 599 3827

#### Factory:

Batang Kali: Lot 2396, Seksyen 5, Mukim Batang Kali  
Daerah Hulu Selangor, Selangor Darul Ehsan,  
Malaysia  
Tel: (603) 6057 2407 Fax: (603) 6057 2423

Nibong Tebal: Lot 2788 & 2796, Lorong Industri 3  
Kawasan Perindustrian Bukit Panchor Mk 7  
14300 Nibong Tebal, Seberang Prai Selatan  
Penang, Malaysia  
Tel: (604) 593 8697/8 Fax: (604) 593 8695

Senai: PLO 6, Jalan Lapangan Terbang, Fasa 1  
Kawasan Perindustrian Senai, 81400 Senai  
Johor Darul Takzim, Malaysia  
Tel: (607) 599 6055 Fax: (607) 598 1373

### SUNWAY CAVITY WALL PANEL SDN BHD\*

#3.2, Level 3

### SUNWAY CAVITY WALL PANEL (S) PTE LTD

19, Senoko South Road, Singapore 758078  
Tel: (65) 6759 4995 Fax: (65) 6759 3114

#### Factory:

PLO 6, Jalan Lapangan Terbang, Fasa 1  
Kawasan Perindustrian Senai, 81400 Senai  
Johor Darul Takzim, Malaysia  
Tel: (607) 599 6055 Fax: (607) 598 1373

### SUNWAY BUILDING MATERIALS (SHANGHAI) CO. LTD

No. 3, Hangtong Road, Damaiwan Industrial Park Hangtong  
Nanhui, Shanghai, China Zip: 201316  
Tel: (8621) 6822 1118 Fax: (8621) 6822 1113

### SUNWAY BUILDING MATERIALS (DONGGUAN) CO. LTD

Chajiao Industrial Park, Yuanzhou District, Zhongtang Town  
Dongguan City, Guangdong, China Zip: 523231  
Tel: (86769) 88112266 Fax: (86769) 88116330

### SUNWAY SPUN PILE (ZHUHAI) CO. LTD

Office & Factory: Xin Gang Zone, Bai Jiao Science Technology  
Industrial Park, Doumen District, ZhuHai City  
Guangdong Province, 519180 China

## QUARRYING DIVISION

### SUNWAY QUARRY INDUSTRIES SDN BHD

KUALITI KLASIK SDN BHD  
ANSA TEKNIK (MELAKA) SDN BHD  
TAIPING KUARI SDN BHD  
No. 7, Jalan PJS 9/5, Bandar Sunway  
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5621 5035 Fax: (603) 5621 4596

#### Kajang:

Lot 7990, Off Jalan Sg. Jelok  
Mukim Semenyih, 43000 Kajang  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 8210 9888/89 Fax: (603) 2289 0648

#### Rawang:

PT 11894, 12139, 12054  
Mukim Rawang, Daerah Gombak  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 6733 9888 Fax: (603) 2289 0649

#### Cheras:

Kompartmen 11, Hutan Simpan Sungai Lalang  
& Hutan Simpan Hulu Langat  
Mukim Ulu Langat, District of Ulu Langat  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 9520 9888/89 Fax: (603) 2289 0675

#### Bandar Sg Long:

Lot 4191, Bandar Sungai Long  
Mukim Cheras, Ulu Langat  
43200 Selangor Darul Ehsan, Malaysia  
Tel: (603) 9019 2987 Fax: (603) 9019 2175

#### Bukit Mertajam:

No. 769, Berapit Road, 14000 Bukit Mertajam  
Seberang Prai Tengah, Malaysia  
Tel: (6019) 225 1311 Fax: (604) 530 4388

#### Melaka:

19th Miles, Lesong Batu  
Alor Gajah, 78000 Melaka, Malaysia  
P.O. Box 66, Alor Gajah, 78000 Melaka, Malaysia  
Tel: (606) 556 8255 Fax: (606) 556 1482

#### Kuala Kangsar:

Lot 1979, Jalan Lenggong  
33020 Kati, Kuala Kangsar  
Perak Darul Ridzuan, Malaysia  
Tel: (605) 751 1832 Fax: (605) 751 2833

#### Paka:

Lot 2511, Mukim Kuala Paka, 23100 Dungun  
Terengganu Darul Iman, Malaysia  
Tel: (609) 835 8888/89 Fax: (603) 2289 0617

#### Taiping:

Batu 6, Jalan Batu Kurau  
34600 Kamunting, Perak Darul Ridzuan, Malaysia  
Tel: (605) 810 9888 Fax: (603) 2096 9307

### SUNWAY QUARRY INDUSTRIES (CARIBBEAN) LIMITED

Scotts Quarry, Verdant Vale, Blanchisseuse Road, Arima  
Trinidad and Tobago

#### Office:

214, The Crossings, Santa Rosa West  
Tempuna Road, Arima, Trinidad and Tobago, W.I.  
Tel: +1868 764 2580

### SUNGEI WAY OCEAN JOINT-VENTURE LTD

Nui Dinh Quarry, Long Huang Village, Ba Ria Town  
Ba Ria-Vung Tau Province, Vietnam  
Tel: (84-64) 828 079 Fax: (84-64) 827 889

### SUNWAY HATAY CONSTRUCTION & BUILDING MATERIALS CO. LTD

(Quarrying and Manufacturer of Ready Mixed Concrete)

Head Office: Room 307, Building 24-T1, Trung Hoa Nhan Chinh  
Cau Glay District, Hanoi, Vietnam  
Tel: (84) 4 281 2680 Fax: (84) 4 251 1650

#### Quarry:

Xuan Mai, Hatay Province, Vietnam  
Tel: (84-34) 676 498 Fax: (84-34) 676 499

### PT SUNWAY QUARRY INDONESIA

Jl. Kosambi Timur No. 47  
Kompleks Pergudangan Sentra Kosambi, Blok H1 No. A  
Kosambi Timur, Dadap - Tangerang, Jakarta 15211, Indonesia  
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447

## DESIGN AND BUILD, TURNKEY, CIVIL ENGINEERING AND BUILDING CONSTRUCTION

### SUNWAY CONSTRUCTION SDN BHD\*

Level 8  
Tel: (603) 5639 9333 Fax: (603) 5639 9533  
Website: [sunway.com.my/suncon](http://sunway.com.my/suncon)

## MECHANICAL AND ELECTRICAL ENGINEERING AND SMARTHOMES

### SUNWAY ENGINEERING SDN BHD\*

Level 9  
Tel: (603) 5639 9999 Fax: (603) 5639 9531  
Website: [www.sunway.com.my/engineering](http://www.sunway.com.my/engineering)

### SUNWAY SMARTEK SDN BHD\*

SUNWAY SMARTEK MARKETING SDN BHD\*  
Level 9  
Tel: (603) 5639 9999 Fax: (603) 5639 9531

## MACHINERY / EQUIPMENT RENTAL

### SUNWAY MACHINERY SDN BHD

Jalan Subang 1, Off Persiaran Subang  
47500 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5633 6499 Fax: (603) 5631 2387

## CIVIL ENGINEERING AND BUILDING CONSTRUCTION

### SUNWAY BUILDERS SDN BHD\*

Level 9  
Tel: (603) 5639 9333 Fax: (603) 5639 9526

### SUNWAY INNOPAVE SDN BHD\*

Level 8  
Tel: (603) 5639 9333 Fax: (603) 5639 9533

## GEOTECHNICAL ENGINEERING

### SUNWAY GEOTECHNICS (M) SDN BHD\*

(Formerly known as Sunway Piling Sdn Bhd)

Level 8  
Tel: (603) 5639 9333 Fax: (603) 5639 9533

#### Factory:

Lot 2396, Seksyen 5, Mukim Batang Kali  
Daerah Hulu Selangor, Selangor Darul Ehsan  
Malaysia  
Tel: (603) 6057 1302 Fax: (603) 6057 1303

### SUNWAY GD PILING SDN BHD\*

Level 9  
Tel: (603) 5639 9333 Fax: (603) 5639 9512

### SUNWAY GD FOUNDATION ENGINEERING CO. LTD

Alameda Dr. Carlos D'Assumpcao  
No. 180, 10 Andar, I10 Edif. Centro Com. Tong Nam Ah, Macau  
Tel: (853) 723428 Fax: (853) 723429

### SHANGHAI XINHETAI CONSTRUCTION LTD

SHANGHAI SUNWAY FOUNDATION ENGINEERING CO. LTD  
SHANGHAI SUNWAY GEOTECHNICS ENGINEERING CO. LTD  
Shanghai City, Song Hu Road, No. 161, Zhong Huan Guo Ji Da Sha  
Room 1501, 200433 China  
Tel: (86) 21 65113585 Fax: (86) 21 65113250

### SPLENDID ERA SDN BHD\*

Level 16  
Tel: (603) 5639 8889 Fax: (603) 5639 9507

## PRECAST PRODUCTS AND INDUSTRIALISED SYSTEMS

### SUNWAY PRECAST INDUSTRIES SDN BHD\*

Level 8  
Tel: (603) 5639 9333 Fax: (603) 5639 9529

#### Factory:

Lot 2396, Mukim Batang Kali, Ulu Selangor  
44300 Batang Kali, Selangor Darul Ehsan, Malaysia  
Tel: (603) 6057 2462 Fax: (603) 6057 2472

## MARBLE AND GRANITE

### SUNWAY CREATIVE STONES SDN BHD

SUNWAY DIMENSION STONES SDN BHD  
Lot 3781, Jalan 3D, Kg Baru Subang, Section U6  
40150 Shah Alam, Selangor Darul Ehsan, Malaysia  
Tel: (603) 7846 7662 Fax: (603) 7846 7708

### INTERNATIONAL SUBSIDIARIES/BRANCHES:

#### Singapore:

SUNWAY CONCRETE PRODUCTS (S) PTE LTD  
SUNWAY DEVELOPMENTS PTE LTD  
4, Tampines Industrial Street 62, Singapore 528817  
Tel: (02) 6582 8089 Fax: (02) 6581 0482

#### India:

SUNWAY CONSTRUCTION INDIA PVT. LTD  
C-1/22 Ground Floor, Safdarjung Development Area  
Hauz Khas, New Delhi 110016, India  
Tel: (0091) 11 4607 2732 Fax: (0091) 11 4607 2733  
Email: [info@sunwayindia.com](mailto:info@sunwayindia.com)

#### Trinidad and Tobago:

SUNWAY CONSTRUCTION CARIBBEAN LTD  
29 Cornelio Street, Woodbrook, Port-of-Spain, Trinidad, W.I.  
Tel: (868) 622 1193 Fax: (868) 622 1652  
Email: [admin@sunwaycaribbean.com](mailto:admin@sunwaycaribbean.com)

#### China:

SUNWAY CREATIVE STONES (XIAMEN) CO. LTD  
12 D, XiangYu Building, Free Trade Zone, Xiamen, China 361006  
Tel: (0086) 592 6016230/31/32 Fax: (0086) 592 601626

#### United Arab Emirates:

SUNWAY BUILDERS SDN BHD - Abu Dhabi Branch  
P.O. Box 127421, Abu Dhabi, UAE

#### SUNWAY INNOPAVE SDN BHD - Abu Dhabi Branch

P.O. Box 127806, Abu Dhabi, UAE

## HEALTHCARE

### SUNWAY PHARMA SDN BHD\*

SUN PHARMACEUTICAL SDN BHD\*  
Level 11

KL Branch: No. 512, Block E, Phileo Damansara 1, Jalan 16/11  
46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 7954 3728 Fax: (603) 7956 5718  
E-mail: [sun@sunway.com.my](mailto:sun@sunway.com.my)

## HOSPITALITY

### SUNWAY HOTEL HANOI, VIETNAM

19, Pham Dinh Ho Street, Hai Ba Trung District, Hanoi, Vietnam  
Tel: (844) 971 3888 Fax: (844) 971 3555  
E-mail: [enquiryshh@sunwayhotels.com](mailto:enquiryshh@sunwayhotels.com)  
Website: [www.sunwayhotels.com](http://www.sunwayhotels.com)

## PROPERTY DEVELOPMENT AND INVESTMENT

### SHAHAWAN (M) SDN BHD\*

SUNGEI WAY RESOURCES SDN BHD\*  
Level 16  
Tel: (603) 5639 8889 Fax: (603) 5639 9507

### SUNWAYMAS SDN BHD\*

Level 5  
Tel: (603) 5639 9998 Fax: (603) 5639 9552  
Email: [sunwaymaseng@sunway.com.my](mailto:sunwaymaseng@sunway.com.my)  
Website: [www.sunwaymas.com.my](http://www.sunwaymas.com.my)

#### SunwayPJ@51a Sales Office:

Tel: (603) 7877 2633 Fax: (603) 7877 2533

#### Rawang Sales Office:

Tel: (603) 6093 6566 Fax: (603) 6093 7566

### SUNWAY BANGI SDN BHD\*

Level 5

#### Sales Office:

Tel: (603) 8925 3998 Fax: (603) 8925 7998

**SUNWAY GREENVIEW SDN BHD\***

(Formerly known as Mountain Prisma Sdn Bhd)  
Level 5

**Sales Office:**

Tel: (603) 4147 5722 Fax: (603) 4147 5752

**SUNWAY TERMUNING SDN BHD\***

(Formerly known as Termunings Development Sdn Bhd)

**SUNWAY RAWANG HEIGHTS SDN BHD\*****SUNWAY KANCHING HEIGHTS SDN BHD\*****PEMBANGUNAN RISJAYA SDN BHD\*****MUJURMAS SDN BHD\***

Level 5

Tel: (603) 5639 9998 Fax: (603) 5639 9552

**TRADING AND MANUFACTURING****SUNWAY MARKETING SDN BHD\*****SUNWAY HOSE CENTRE SDN BHD\*****BUILDTREND B.S.G (M) SDN BHD\***

Level 11

Tel: (603) 5639 9997 Fax: (603) 5639 9522

**Warehouse:**

Lot PT 1490, No. 1, Jalan PJS 11/1, Bandar Sunway  
46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5637 9049/8376/8109/5636 7870  
Fax: (603) 5637 8046

**Branches:**

**Ipoh:** 2-1A, Tingkat Taman Ipoh 6  
Ipoh Garden South, 31400 Ipoh  
Perak Darul Ridzuan, Malaysia  
Tel: (605) 547 6597 Fax: (605) 547 6596

**Johor Bahru:** PLO 6, Jalan Lapangan Terbang  
Fasa 1, Kawasan Perindustrian Senai  
81400 Senai, Johor Darul Takzim, Malaysia  
Tel: (607) 598 5633 Fax: (607) 598 2318

**Penang:** 3rd Floor, No.1-3-35, Ideal Avenue  
Medan Kampung Relau 1  
11900 Bayan Lepas Penang, Malaysia  
Tel: (04) 641 0533 Fax: (04) 640 0633

**Kuantan:** B248, 1st Floor, Jalan Air Putih, 25300  
Kuantan, Pahang Darul Makmur, Malaysia

**Melaka:** No. 7, Jalan Abadi 2, Taman Malim Jaya  
75250 Melaka, Malaysia  
Tel: (606) 336 6862 Fax: (606) 337 286

**SUNWAY MARKETING (EAST MALAYSIA) SDN BHD**

Email: ipsales@sunway.com.my

**Bintulu:** S/Lot 15, Lot 294, Sibiyu Industrial Estate  
Jalan Bintulu-Tatau, 97000 Bintulu  
Sarawak, Malaysia  
Tel: (6086) 313 778/313 779  
Fax: (6086) 313 772

**Sibu:** No. 13, Lorong 6, Jalan Ding Lik Kwong  
96000 Sibu, Sarawak, Malaysia  
Tel: (6084) 833 759/325 759/328 759  
Fax: (6084) 312 759

**Miri:** Lot 2186, Jalan Piasau Utara 4  
Piasau Industrial Estate, 98000 Miri  
Sarawak, Malaysia  
Tel: (6085) 656 354/656 292/659 197  
Fax: (6085) 656 431

**Tawau:** Lot 4, Building No. 7774, Mile 3.5  
Jalan Sungai Tajong, 91000 Tawau  
Sabah, Malaysia  
Tel: (6089) 920 437/922 134/715 070  
Fax: (6089) 715 881

**Kuching:** Lot 729, Block 12, Muara Tabuan Light  
Industrial Park, Jalan Setia Raja  
93450 Kuching, Sarawak, Malaysia  
Tel: (6082) 361 608/364 608  
Fax: (6082) 365 508

**Lahad Datu:** Lot No.123, Phase 3, Jalan Silan  
91000 Lahad Datu, Sabah, Malaysia  
Tel: (089) 867924

**SUNWAY ARCHITECTURAL PRODUCTS SDN BHD\***

Level 11

Tel: (603) 5639 9997 Fax: (603) 5639 9522

**SUNWAY HYDRAULIC INDUSTRIES SDN BHD**

**Factory:** No. 8, Jalan SR 4/19, Serdang Raya  
43300 Seri Kembangan  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 8948 2622 Fax: (603) 8948 2637  
Website: www.sunway.com.my/sunflex  
Email: sunflex@sunway.com.my

**SUNWAY MARKETING (S) PTE LTD**

19 Senoko South Road, Singapore 758078  
Tel: (65) 6758 5454 Fax: (65) 6257 8759  
Website: www.sunflex.com.sg  
E-mail: smsgen@sunflex.com.sg

**SUNWAY MARKETING (THAILAND) LTD**

53/7-8 Moo 8 Prayasurane Road, Samwatawontok  
Klongsamwa, Bangkok 10510, Thailand  
Tel: (662) 908 0818 Fax: (662) 908 0810  
E-mail: thanapong@sunway.com.my

**SUNWAY MARKETING (THAILAND) LTD - Rayong Branch**

267/107 Sukhumvit Road, Mabtapud, Muang Rayong  
Rayong 21150, Thailand  
Tel: (663) 860 8426-8 Fax: (663) 860 8425  
E-mail: thanapong@sunway.com.my

**SUNWAY MARKETING (THAILAND) LTD - Pisanulok****Branch**

8/7-8 Moo 7 Siharachdechochai, Watchan  
Muang Pisanulok , Pisanulok 65000, Thailand  
Tel: (66) 55 335 133 Fax: (66) 55 335 134  
E-mail: thanapong@sunway.com.my

**PT SUNWAY TREK MASINDO**

Jl. Kosambi Timur No. 47  
Kompleks Pergudangan Sentra Kosambi, Blok H1 No. A  
Kosambi Timur, Dadap - Tangerang, Jakarta 15211  
Indonesia  
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447

**PT SUNWAY TREK MASINDO - Balikpapan Branch**

Jl. M.T. Haryono 20-24 Keluruhan Damai  
Balikpapan 76126, Indonesia  
Tel: (62) 542 861 457/542 7020 587/542 7020 589  
Fax: (62) 542 861 458 E-mail: ipsales@sunway.com.my

**PT SUNWAY TREK MASINDO - Pekanbaru Branch**

Komplek Pergudangan Avian 3 in 1 Blok D-06  
Jl. Arengka 11, Pekanbaru - Riau, 28292 Indonesia  
Tel: (62) 0761 863 834/0761 863 832  
Fax: (62) 0761 863 836  
Email: ipsales@sunway.com.my

**PT SUNWAY TREK MASINDO - Surabaya Branch**

Jl. Raya Waru 1A  
Pergudangan PT NILA ALAM Gudang 8B  
Waru Sidoarjo, Surabaya, 61254 Indonesia  
Tel: (62) 31 854 0416/31 854 0417 Fax: (62) 31 853 3278  
E-mail: ipsales@sunway.com.my

**PT SUNWAY TREK MASINDO - Banjarmasin Branch**

Jl. Jendral A. Yani, KM 7.6, No. 1, RT. 03  
Kabupaten, Banjarmasin, Kalimantan Selatan, Indonesia  
Tel: (62) 511 325 1161 Fax: (62) 511 325 1192  
E-mail: ipsales@sunway.com.my

**PT SUNWAY TREK MASINDO - Palembang Branch**

Jl. Soekarno Hatta, No. 09 A, Palembang, 30139 Indonesia  
Tel: (62) 711 443 800 Fax: (62) 711 445 978  
E-mail: ipsales@sunway.com.my

**PT SUNWAY TREK MASINDO - Samarinda Branch**

Komplek Pergudangan II, Blok U2, Samarinda, Indonesia  
Tel: (62) 0541 270 090 Fax: (62) 0541 270 585

**SUNWAY TRADING (SHANGHAI) PTE LTD****SUNWAY MARKETING (SHANGHAI) PTE LTD**

No. 588, Jianyun Road, Zhou Pu Town, Nanhui County  
Shanghai Zip: 201318, China  
Tel: (8621) 6806 6696/6806 6662 Fax: (8621) 6806 6981

**SUNWAY ENTERPRISE (1988) SDN BHD**

Lot 656, Jalan Subang 2, Off Persiaran Subang  
Subang Jaya, P.O. Box 8800, Kelana Jaya  
46798 Petaling Jaya, Selangor Darul Ehsan, Malaysia  
Tel: (603) 5633 1909 Fax: (603) 5633 1908

**Penang Branch:** No. 16 & 18, Jalan Perusahaan Ringan Juru  
1, Taman Perusahaan Ringan Juru  
14100 Bukit Tengah, Penang, Malaysia  
Tel: (604) 5073 830 Fax: (604) 5073 930

**SUNWAY XIN LONG (ANHUI) HYDRAULIC CO. LTD**

No. 1 Xu Zhen Industrial Area, Wuhu, Anhui  
Zip: 241306, China  
Tel: (0086) 553 627 7999/627 7066  
Fax: (0086) 553 627 9666

**SUNWAY DAECHANG FORGING (ANHUI) CO. LTD**

No.1 Xu Zhen Industrial Area, Wuhu, Anhui  
Zip: 241306, China  
Tel: (0086) 553 627 1155 Fax: (0086) 553 627 1100

**TOTALRUBBER LTD**

Tel: 1300 720 655 Fax: 1300 720 677  
Website: www.totalrubber.com.au

**Main office:**

6-8 Siddons Way, Hallam, VIC 3803, Australia  
Tel: (613) 9702 3331 Fax: (613) 9703 1355

**National Distribution Warehouse:**

11 Siddons Way, Hallam VIC 3803, Australia  
Tel: (613) 8795 7761 Fax: (613) 9703 1355

**Branches:**

**Hallam:** 6-8 Siddons Way, Hallam, VIC 3803,  
Australia  
Tel: (613) 9702 3331 Fax: (613) 9703 1355  
Email: victoria@totalrubber.com.au

**Albury**

**Wodonga:** 77B & 77H Thomas Mitchell Drive  
Wodonga, VIC 3690, Australia  
Tel: (612) 6024 4243 Fax: (612) 6024 4347  
Email: chris.gillam@totalrubber.com.au

**Sydney:** 245 Rawson Street, Auburn

NSW 2144, Australia  
Tel: (612) 9748 4533 Fax: (612) 9748 4354  
Email: sydney@totalrubber.com.au

**Newcastle:** 38 Munibung Road, Cardiff

Newcastle, NSW 2285, Australia  
Tel: (612) 4953 6444 Fax: (612) 4953 6544  
Email: newcastle@totalrubber.com.au

**Perth:** 8 Aitken Way, Kewdale, WA 6105, Australia

Tel: (618) 9353 6999 Fax: (618) 9353 6555  
Email: perth@totalrubber.com.au

**Brisbane:** 43 Dulacca Street, Acacia Ridge

QLD 4110, Australia  
Tel: (617) 3711 3009 Fax: (617) 3711 3010  
Email: brisbane@totalrubber.com.au

**Adelaide:** 3/40 Birrallee Road, Regency Park

SA 5010, Australia  
Tel: (618) 8268 5110 Fax: (618) 8268 5226  
Email: brinkworth@totalrubber.com.au

**Workshop:** 11 Siddons Way, Hallam

VIC 3803, Australia  
Tel: (613) 9702 3331 Fax: (613) 9703 1355

**TOTAL RUBBER SERVICES FRANCHISING PTY LTD**

**Main Office:** 6-8 Siddons Way, Hallam

VIC 3803, Australia  
Tel: (613) 9702 3331 Fax: (613) 9703 1355

**Franchises:**

**Brooklyn:** 112 Fairbairn Road, Sunshine  
VIC 3020, Australia  
Tel: (613) 8317 0244 Fax: (613) 8317 0245  
Email: cynthia.trapani@totalrubber.com.au

**Launceston:** 3 Merino Street, Launceston

TAS 7250, Australia  
Tel: (613) 6344 3322 Fax: (613) 6344 3233  
Email: chris.gillam@totalrubber.com.au

**Townsville:** 54 Pilkington Street, Garbutt

QLD 4814, Australia  
Tel: (617) 4775 5366 Fax: (617) 4775 3922  
Email: townsville@totalrubber.com.au

**North Brisbane:** 17 Matheson Street, Virginia

QLD 4014, Australia  
Tel: (617) 3265 2400 Fax: (617) 3265 4100  
Email: north.brisbane@totalrubber.com.au

**PACIFIC FLOW TECHNOLOGY PTY LTD**

9 Elsum Avenue, Bayswater, VIC 3153, Australia  
Tel: (613) 9729 1225 Fax: (613) 9729 0221  
Email: kerry@pacflootech.com.au

**FINANCIAL AND INSURANCE SERVICES****SUNWAY LEASING SDN BHD\*****SWL NOMINEES (TEMPATAN) SDN BHD\*****SUNWAY CREDIT SDN BHD\***

(Formerly known as SWL Factoring Sdn Bhd)

Level 15

Tel: (603) 5639 8899 Fax: (603) 5639 9608

**SUNWAY RISK MANAGEMENT SDN BHD\***

Level 15

Tel: (603) 5639 9988 Fax: (603) 5639 9609

Email: financialdivision@sunway.com.my

**SECRETARIAL, SHARE REGISTRATION AND  
MANAGEMENT SERVICES****SUNWAY MANAGEMENT SDN BHD\***

Level 16

Tel: (603) 5639 8889 Fax: (603) 5639 9507

**SHARED SERVICES CENTRE****SUNWAY SHARED SERVICES CENTRE SDN BHD\* SUNCITY****SSC SDN BHD\*****SUNWAY BPO SDN BHD\***

Level 4.3

Email: sbpo@sunway.com.my

Website: www.sunway.com.my/sunwaybpo

**Finance SSC:** Level 10

Tel: (603) 5639 8989 Fax: (603) 5639 9524

Level 2.5, Annexe

Tel: (603) 5639 8989

Fax: (603) 5639 9586/5639 8687

**IT SSC:**

Level 4.1 & Level 4.3

Tel: (603) 5639 8822 Fax: (603) 5639 9293

**Client Services and Support Management:**

Level 4.3

Tel: (603) 5639 8822 Fax: (603) 5639 9293

*NOTE: Companies marked with asterisk (\*) are located at Menara  
Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150  
Petaling Jaya, Selangor Darul Ehsan, Malaysia*

Sunway Holdings Berhad (37465-A)  
(Formerly known as Sunway Holdings Incorporated Berhad)

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



**SUNWAY HOLDINGS BERHAD** (37465-A)  
(formerly known as Sunway Holdings Incorporated Berhad)

## NOTICE OF 30TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 30th Annual General Meeting of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) (37465-A) will be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. for the following purposes:-

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To declare a final dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008 as recommended by the Directors. (Ordinary Resolution 2)
3. To approve the payment of Directors' fees amounting to RM54,000 for the financial year ended 30 June 2008. (Ordinary Resolution 3)
4. To re-elect the following Directors:-
  - 4.1 Dato' Tan Kia Loke retires by rotation pursuant to Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 4)
  - 4.2 Yau Kok Seng retires by rotation pursuant to Article 114 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 5)
  - 4.3 Koong Wai Seng retires pursuant to Article 120 of the Company's Articles of Association and being eligible, offers himself for re-election. (Ordinary Resolution 6)
5. To consider and if thought fit, to pass the following resolution in accordance with Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, Datuk Abdul Malek Bin Abdul Aziz 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)
6. To re-appoint Messrs PricewaterhouseCoopers 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:-

#### 7. 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)

**8. 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 18 November 2008 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 to be held in 2009 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 shall 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)

**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 ("Sunway Shares") which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time, subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirements of the Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Sunway Shares shall not exceed the Company's audited retained profits and/or share premium account at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be distributed as dividends to shareholders and/or resold on Bursa Securities and/or subsequently cancelled), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 11)

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT** subject to the approval of the shareholders at the 30th Annual General Meeting to be held on 10 December 2008, a final dividend comprising 2.3382% per share less 25% income tax and tax exempt dividend of 0.4963% per share for the financial year ended 30 June 2008 will be paid on 26 February 2009 to Depositors whose names appear in the Record of Depositors on 30 January 2009.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Securities transferred into the Depositor's securities account before 4.00 p.m. on 30 January 2009 in respect of transfers;
- (b) Securities deposited into the Depositor's securities account before 12.30 p.m. on 28 January 2009 in respect of securities exempted from mandatory deposit; and
- (c) Securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**PUAN SRI DATIN SERI (DR) SUSAN CHEAH SEOK CHENG** (MIA 5601)  
**TAN KIM AUN** (MAICSA 7002988)  
**LEE SUAN CHOO** (MAICSA 7017562)  
 Company Secretaries

Petaling Jaya  
 18 November 2008



#### 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 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.

##### **2. Ordinary Resolution 10 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

The details on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 18 November 2008.

##### **3. Ordinary Resolution 11 - Proposed Authority for the Purchase of Own Shares by the Company**

The details on the proposed authority for the purchase of own shares by the Company are set out in the Circular to Shareholders dated 18 November 2008.

## STATEMENT ACCOMPANYING NOTICE OF 30TH ANNUAL GENERAL MEETING

#### DETAILS OF DIRECTORS WHO ARE STANDING FOR RE-ELECTION AND RE-APPOINTMENT

The details of the Directors who are standing for re-election and re-appointment namely Dato' Tan Kia Loke, Yau Kok Seng, Koong Wai Seng and Datuk Abdul Malek Bin Abdul Aziz are set out in the "Profile of Board of Directors".

Their interests in the securities of the Company and its subsidiaries are set out in the "Directors' Interests in Shares, Options over Ordinary Shares and Warrants".

# FORM OF PROXY

## 30th Annual General Meeting

Number of share(s) held	
CDS Account No.	



**SUNWAY HOLDINGS BERHAD** (37465-A)  
(formerly known as Sunway Holdings Incorporated Berhad)  
(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 8845  
Fax : 03-5639 9507

### PROXY "A"

I/We ..... \*NRIC No./Passport No./Company No. ....  
(Please use Block Letters)

Tel./Mobile No ..... of .....

being a member of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) and entitled to vote hereby appoint .....

..... \*NRIC No./Passport No. .... Tel./Mobile No. .... of

or failing him/her, the Chairman of the Meeting as my/our 1st proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. and at any adjournment thereof.

**WHERE THE MEMBER DESIRES TO APPOINT A 2ND PROXY, THIS SECTION MUST ALSO BE COMPLETED, OTHERWISE IT SHOULD BE DELETED.**

### PROXY "B"

I/We ..... \*NRIC No./Passport No./Company No. ....  
(Please use Block Letters)

Tel./Mobile No ..... of .....

being a member of SUNWAY HOLDINGS BERHAD (formerly known as Sunway Holdings Incorporated Berhad) and entitled to vote hereby appoint .....

..... \*NRIC No./Passport No. .... Tel./Mobile No. .... of

or failing him/her, the Chairman of the Meeting as my/our 2nd proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 10 December 2008 at 3.00 p.m. and at any adjournment thereof.

**The proportions of my/our holding to be represented by my/our proxies are as follows:-**

1st Proxy "A" - % (to be completed)

2nd Proxy "B" - % (to be completed)

Total : 100%

**In case of a vote taken by a show of hands, \*1st Proxy "A" / \*2nd Proxy "B" shall vote on my/our behalf.**

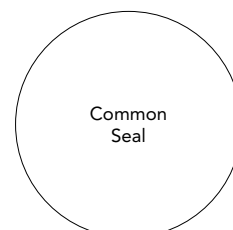
\* Delete if inapplicable

My/our proxy/proxies shall vote as follows:-

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/their discretion)

NO.	ORDINARY RESOLUTIONS	1ST PROXY "A"		2ND PROXY "B"	
		FOR	AGAINST	FOR	AGAINST
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2008 together with the Directors' and Auditors' Reports thereon				
2.	To declare final dividend				
3.	To approve the payment of Directors' fees				
4.	To re-elect the following Directors:- Dato' Tan Kia Loke				
5.	Yau Kok Seng				
6.	Koong Wai Seng				
7.	To approve the re-appointment of Datuk Abdul Malek Bin Abdul Aziz as Director				
8.	To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration				
9.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
10.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
11.	To authorise the purchase of own shares by the Company				

Dated this ..... day of ..... 2008



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 need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised.
- If a member appoints 2 proxies, the appointment will be invalid unless he states the percentage of his shareholding to be represented by each proxy.
- Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to 03-5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

PLEASE FOLD HERE

STAMP

THE COMPANY SECRETARY  
**SUNWAY HOLDINGS BERHAD** (37465-A)  
*(formerly known as Sunway Holdings Incorporated Berhad)*  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

PLEASE FOLD HERE



**SUNWAY HOLDINGS BERHAD** (37465-A)  
(formerly known as Sunway Holdings Incorporated Berhad)

## ANNUAL REPORT 2008

### REQUISITION FORM

Dear Shareholders,

Please complete your particulars below and return this form to us through mail or fax to **(03) 5639 9507** should you wish to receive a hardcopy of the Annual Report 2008 of Sunway Holdings Berhad (formerly known as Sunway Holdings Incorporated Berhad). You may also contact **Ms Jennie Yip** of **Share Registration Department** at **(03) 5639 8846** or e-mail your request to **yipfm@sunway.com.my** or request online at **www.sunway.com.my**.

The hardcopy of the Annual Report will be posted to you within 4 market days from the date of receipt of your verbal or written request.

Name : \_\_\_\_\_

NRIC No : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel/Mobile No : \_\_\_\_\_

E-mail : \_\_\_\_\_

PLEASE FOLD HERE

STAMP

THE SHARE REGISTRAR  
**SUNWAY HOLDINGS BERHAD** (37465-A)  
*(formerly known as Sunway Holdings Incorporated Berhad)*  
LEVEL 16, MENARA SUNWAY  
JALAN LAGOON TIMUR  
BANDAR SUNWAY  
46150 PETALING JAYA  
SELANGOR DARUL EHSAN  
MALAYSIA

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