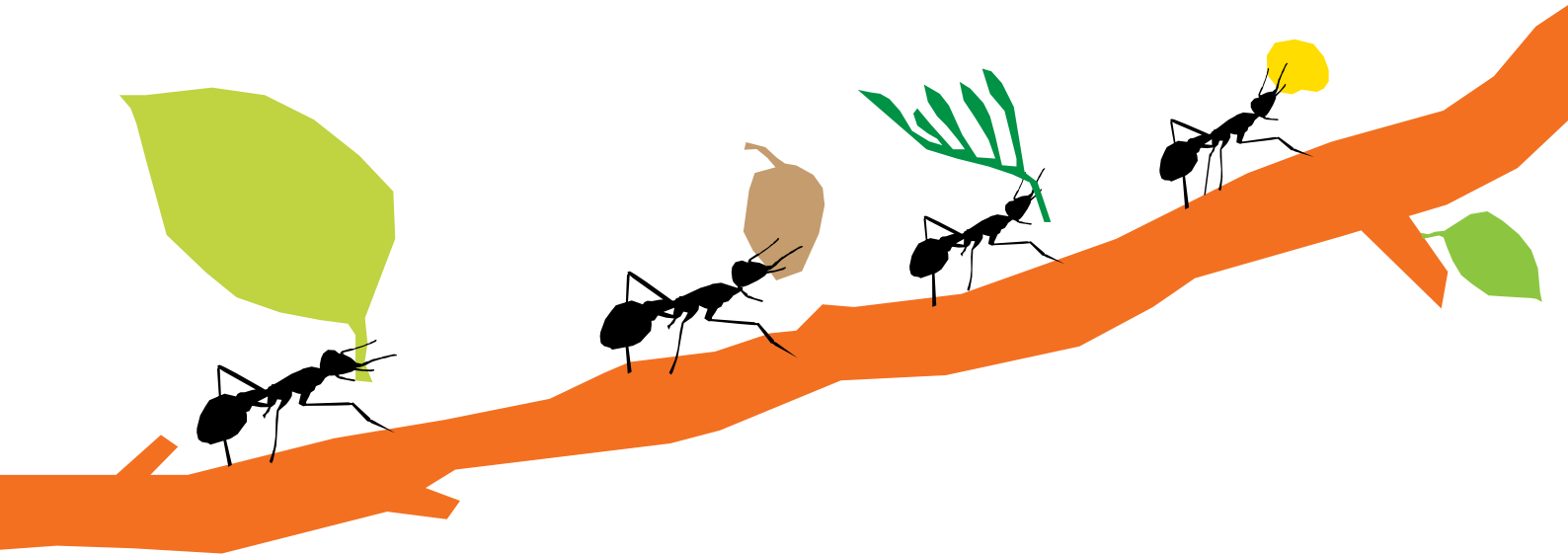




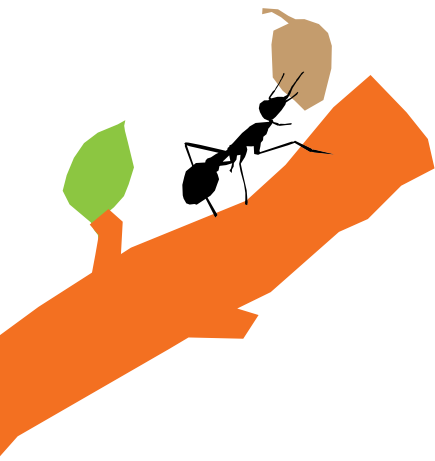
SUNWAY HOLDINGS BERHAD (37465-A)



2010



ANNUAL REPORT
STRENGTHEN STRATEGISE SYNERGISE



THE GRASSHOPPER AND THE ANTS

One summer day, a grasshopper was having a wonderful time singing, chirping and hopping about. He saw some ants who were busy gathering and storing grain for the winter.

"Stop and talk to me," said the grasshopper.
"We can sing some songs and dance for a while."

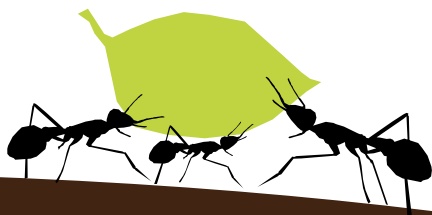
"Oh no," said the ants. "Winter is coming. We are storing up food for the winter and think you should do the same."

"Oh, I can't be bothered," said the grasshopper.
"Winter is a long time off. There is plenty of food."

So the grasshopper continued to dance and sing, and the ants continued to work. When winter came the grasshopper found itself dying of hunger.

(Aesop's Fables)

Sunway Holdings Berhad ("Sunway") is likened to the ants - consistently using effective strategies and working hard to meet its objectives, never wavering. This has translated into sustainable earnings and rewarding returns to its stakeholders.



Financial Calendar

Announcement of Quarterly Results

25 May 2010

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

24 August 2010

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

24 November 2010

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

28 February 2011

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

Interim Dividend

24 February 2010

Announcement of the notice of entitlement and payment of 2.25 sen Tax Exempt Interim Dividend for the financial period ended 31 December 2009

22 April 2010

Date of entitlement to 2.25 sen Tax Exempt Interim Dividend for the financial period ended 31 December 2009

21 May 2010

Date of payment of 2.25 sen Tax Exempt Interim Dividend for the financial period ended 31 December 2009

Annual Report and Annual General Meeting

6 June 2011

Date of notice of 33rd Annual General Meeting and date of issuance of Annual Report 2010

28 June 2011

Date of 33rd Annual General Meeting





An old man summoned his sons around him to give them some advice. He ordered his servants to bring in a bundle of sticks, and said to his eldest son: "Break it."

The son strained and strained, but with all his efforts was unable to break the bundle. The other sons also tried, but none of them was successful.


"Untie the bundle," said the father, "and each of you take a stick." When they had done so, he called out to them: "Now, break," and each stick was easily broken.

(Aesop's Fables)

STRENGTH

A large, bold, brown capital letter 'S' is positioned on the left side of a white rectangular box. The box is outlined with a thick black border. The background of the entire page is a solid brown color.

Strength comes from concerted efforts - both strategically and consistently, which Sunway has built upon in all its businesses. Placing priority on human capital, good corporate governance and sound financial management has brought strength to the Group.

A large black silhouette of a crow is positioned on the left side of the frame, facing right. Its beak is open, and a small brown pebble is shown falling from it towards a black pitcher on the right. The pitcher has a long neck and a wide body. Inside the pitcher, several brown pebbles are visible, and a small amount of light blue water is at the bottom. The background is a solid orange color.

A thirsty Crow came upon a pitcher of water. When the Crow put its beak into the mouth of the pitcher he found that only very little water was left in it, and that he could not reach far enough down to get at it. He tried, and he tried, but at last had to give up in despair.

Then a thought came to him, and he took a pebble and dropped it into the pitcher. Then he took another pebble and dropped it into the pitcher. And another. And another. And another.

And another, until he saw the water mount up near him, and after casting in a few more pebbles he was able to quench his thirst.

(Aesop's Fables)

STRATEGY

A large, bold, orange letter 'T' graphic, positioned on the left side of a white rectangular box. The box is outlined with a thick black border. The background of the entire page is a solid orange color.

hinking and strategising plans of action for growth and rewards is what Sunway has been doing since its inception. Meticulous planning and careful execution of these strategies enable the Group to move closer towards its goals.



• An ant was thirsty and went down to a spring expecting to take a drink of water, but instead he found himself in danger of drowning. A pigeon snapped off a leaf from a nearby tree and threw it to the ant so that he could save himself by climbing up onto the leaf.

Meanwhile, a bird catcher showed up and prepared his limed reeds, intending to capture the pigeon. The ant then bit the bird catcher on the foot which caused the bird catcher to shake his limed reeds, warning the pigeon who flew off to safety.

(Aesop's Fables)

SYNERGY

A large, bold, blue capital letter 'S' is positioned on the left side of a white rectangular box. The box is outlined with a thick black border. The background of the entire page is a solid bright blue.

nergies resulting from efficient resource management and operational excellence have given Sunway the leverage needed to propel its businesses forward.

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.





With its unwavering commitment towards long-term value creation, Sunway strives to strengthen its presence in the rapidly globalising world by capitalising on opportunities and building on its successes.





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**CORPORATE
STATEMENT**





RATE UNWAY

Corporate Information

BOARD OF DIRECTORS

Executive Chairman, Non-Independent Executive Director

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

President, Non-Independent Executive Director

Dato' Chew Chee Kin

Managing Director, Non-Independent Executive Director

Dato' Yau Kok 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 Jeffrey Cheah Fook Ling, AO
(Chairman)

Dato' Chew Chee Kin

Dato' Tan Kia Loke

Dato' Yau Kok Seng

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng

Ng Lai Ping

NOMINATION COMMITTEE

Datuk Abdul Malek Bin Abdul Aziz (Chairman)

Datuk Low Seng Kuan

Wong Chin Mun

REMUNERATION COMMITTEE

Datuk Low Seng Kuan (Chairman)

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

Wong Chin Mun

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

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

Dato' Chew Chee Kin

Dato' Tan Kia Loke

Dato' Yau Kok Seng

RISK MANAGEMENT COMMITTEE

Dato' Yau Kok Seng (Chairman)

Kwan Foh Kwai

Wong Fook Chai

Ng Boon Liang

Leong Kai Hong

Yap Chin Leong

Teh Quen Chang

Ng Eng Lee

Lim Hin Soon

Ng Lai Ping

Evan Cheah Yean Shin

STRATEGIC DIRECTION COMMITTEE

Dato' Chew Chee Kin (Chairman)

Dato' Tan Kia Loke

Dato' Yau Kok Seng

Kwan Foh Kwai

Wong Fook Chai

Ng Boon Liang

Leong Kai Hong

Yap Chin Leong

Teh Quen Chang

Lim Hin Soon

Ng Lai Ping

Evan Cheah Yean Shin

COMPANY SECRETARIES

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng
(MIA 5601)

Tan Kim Aun (MAICSA 7002988)

Lee Suan Choo (MAICSA 7017562)

REGISTERED OFFICE

Level 16, Menara Sunway, Jalan Lagoon Timur

Bandar Sunway, 46150 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel No : (603) 5639 8889

Fax No : (603) 5639 9507

SHARE REGISTRAR

Sunway Management Sdn Bhd (50661-X)

Level 16, Menara Sunway, Jalan Lagoon Timur

Bandar Sunway, 46150 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel No : (603) 5639 8889

Fax No : (603) 5639 9507

AUDITORS

Ernst & Young

Chartered Accountants

SOLICITORS

David Lingam & Co.

Mah-Kamariyah & Philip Koh

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

Malayan Banking Berhad

RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.sunway.com.my

INVESTOR RELATIONS

Email : irsunway@sunway.com.my

Tel No : (603) 5639 8663

Corporate Profile

A large, bold, blue capital letter 'S' is positioned on the left side of a white rectangular box. The box is set against a solid blue background. The 'S' is the first letter of the word 'Sunway' in the following paragraph.

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

Its core businesses include construction, property development, trading and manufacturing, quarrying, and building materials with growing presence in various countries around the globe.

Each of Sunway's subsidiaries has synergistic alliances with the Group, strengthening its operations and providing a strong platform to grow. With this, Sunway is well positioned for long-term growth in the international business arena.

The success factors that drive the Group's incessant growth are visionary leadership, perceptive and transparent corporate policies and synergistic teamwork. Above all, Sunway's attention to the development of human capital has shaped it into what it is today.

With a presence in over 40 locations worldwide, Sunway is a brand synonymous with trust and excellence. The company's legacy of turning dreams into deeds, conceptions into substantiality, will continue to propagate.

Group Corporate Structure

CONSTRUCTION

- Sunway Construction Sdn Bhd
— Sunway Construction branch in Singapore
- Sunway Engineering Sdn Bhd
— Sunway Engineering branch in Abu Dhabi
— Sunway Engineering branch in Singapore
- 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 Concrete Products (S) Pte Ltd #
- Sunway Geotechnics (M) Sdn Bhd
- Sunway Creative Stones Sdn Bhd
— Sunway Creative Stones branch in Abu Dhabi
— Sunway Creative Stones branch in Singapore
- Sunway Creative Stones (Xiamen) Co. Ltd #
- Sunway Geotechnics (S) Pte Ltd #
- Sunway GD Foundation Engineering Co. Ltd #
- Shanghai Xinhetai Construction Ltd #
- Shanghai Sunway Geotechnics Engineering Co. Ltd #
- PT Sunway Construction Engineering #
- Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co. Ltd #
- Splendid Era Sdn Bhd

PROPERTY DEVELOPMENT

- SunwayMas Sdn Bhd
- Sunway Termuning Sdn Bhd
- Sunway Rydgeway Sdn Bhd
(formerly known as Sunway Greenview Sdn Bhd)
- Sunway Rawang Heights Sdn Bhd
- Sunway Kanching Heights Sdn Bhd
- Sunway Bangi Sdn Bhd
- Muhibbah Permai Sdn Bhd
- Sunway Real Estate (China) Limited *#
- Sunway Developments Pte Ltd #
- Hoi Hup Sunway Development Pte Ltd *#
- Hoi Hup Sunway J.V. Pte Ltd *#
- Hoi Hup Sunway Property Pte Ltd *#
- Sunway PJ51A Sdn Bhd
(formerly known as Sungei Way Resources Sdn Bhd)
- Hoi Hup Sunway Miltonia Pte Ltd *#
- Sunway Land Pte Ltd #
- Hoi Hup Sunway Tampines Pte Ltd *#
- Hoi Hup Sunway Yuan Ching Pte Ltd *#

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 #
- 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
- Buildtrend B.S.G. (M) Sdn Bhd *
- Sunway Opus International Trading Private Limited #
- PT Sunway Flowtech #
- Sunway International Trading (Tianjin) Pte Ltd #



QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Hatay Construction & Building Materials J.V. Co. Ltd #
- Sungei Way Ocean Joint Venture Ltd #
- Sunway Quarry (Kuala Kangsar) Sdn Bhd (formerly known as Kualiti Klasik Sdn Bhd)
- Sunway Quarry Industries (Melaka) Sdn Bhd (formerly known as Ansa Teknik (Melaka) Sdn Bhd)
- Sunway Quarry Industries (Caribbean) Limited #
- Sunway Quarry Industries (Taiping) Sdn Bhd (formerly known as Taiping Kuari 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 #

INVESTMENT HOLDING AND OTHERS

- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway Shared Services Centre Sdn Bhd
- Sunway BPO Sdn Bhd
- Sunway Supply Chain Enterprise Sdn Bhd
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Integrated Outsourcing Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad ^*

Notes:
This Group Corporate Structure excludes dormant and non-operating companies

^ Public listed company
Overseas company
* Associated company / Jointly controlled entity





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

D

ear Shareholders,

It is with great pleasure that I present to you
the performance of Sunway for the
financial year ended 31 December 2010.

Chairman's Statement

A New High with a Strong Revenue and Profit Growth

The Group scaled new heights in FY 2010 despite the global economy being in its recovery phase. The timely intervention by world governments and relevant financial authorities with their stimulus packages contributed to the gradual recovery in the world economies. Nonetheless the Asian economies have experienced accelerated recovery in comparison with its western counterparts. In Malaysia, from an economic contraction of 1.7% in year 2009, we recorded a 10-year high of 7.2%* growth in the year 2010. This is a momentous achievement when compared to the government growth forecast of only 4.5% to 5.5%.

Coupled with effective and resilient business strategies, Sunway achieved its strongest performance with a record net profit of RM163 million during the year, on the back of RM2 billion revenue.

Future Growth

As the global economy regains its vigour, Sunway is strategically set to capitalise on new opportunities.

Our construction order book of RM2.4 billion will ensure sustainable profits for the next two years. With the government's implementation of the various initiatives under the Economic Transformation Programme, we are confident of an active order book replenishment.

Our property development division is a new rising star of the Group with significant contribution to our earnings. Our property launches in Singapore through our jointly controlled entities have been well received, and we expect continued impressive results for our upcoming launches, both locally and overseas.

The trading and manufacturing division remains successful in their ongoing regional expansion, with several new branches set-up in China and Indonesia during the year.

Corporate Governance

We are proud to maintain high standards of accountability and corporate governance. The Group is able to satisfy the requisites of today's increasingly sophisticated and well-informed investors by keeping abreast with the latest developments in corporate transparency.

In addition, with greater emphasis placed on the importance of internal controls and enterprise risk management, the Group is able to steadily instill comprehensive risk management mechanisms into our daily operations.

Our Corporate Governance Statement can be found on pages 82 to 88.

Corporate Responsibility

The objective of corporate responsibility is to embrace accountability for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. The Group proactively promotes public interest by encouraging community growth and development, and abstaining from practices that are unethical or harmful to the public.

The Group by design includes public interest into corporate decision-making in honouring a triple bottom line: people, planet, profit. This is increasingly demonstrated by our efforts to hearten and endorse education, environmental conservation and to tackle social inequities. We are continuously identifying activities where a difference could be felt in the society.

* Source: Bank Negara

Chairman's Statement



Sunway Merger press conference

Strengthen Strategise Synergise

Recently, the non-interested directors of your Board have decided, after due consideration, to accept the offer by Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) to acquire all its assets and liabilities, in conjunction with a merger exercise with Sunway City Berhad, another company listed on the Main Board of Bursa Malaysia. The successful completion of this exercise will indeed revolutionize the way we work in three major ways: size, synergy and branding.

We believe that the enlarged Group resulting from this merger will be able to approach the domestic and international market with renewed vigour, enabling it to bid for projects with higher value. The merger will improve the Group's organisational efficiency significantly and provide us with synergies and economies of scale.

In terms of branding, we will be able to consolidate, through one single organisation, better innovations to serve the needs of our community.

As we enter an era of globalisation which crosses borders, I expect that with our strategy to **"Strengthen, Strategise and Synergise"**, the new Sunway will be a global competitor to be reckoned with.



"Biggest Giver to Charity" by Malaysia Book of Records

Acknowledgement

On behalf of the Board, I would like to thank the Directors, management and all employees of the Group for their allegiance, resourcefulness, perseverance and contribution to the Group which allowed us to report a record breaking year. I would also like to take this opportunity to thank all shareholders, associates, clients, bankers, suppliers and subcontractors for support and for believing in the Group. We value and look forward to this continued relationship as we step forward towards seeking new opportunities.

Yours sincerely,

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

Calendar of Significant Events

24 March 2011

Sunway Construction awarded the Export Excellence Award (Services)

Sunway Construction Sdn Bhd, a wholly-owned subsidiary of Sunway, was awarded the Export Excellence Award (Services) by the Ministry of International Trade and Industry (MITI) at the 20th Industry Excellence Awards held at the Kuala Lumpur Convention Centre.

The Industry Excellence Awards organised annually by MITI, is the highest recognition given by the Government to companies for their exceptional achievements in organisational excellence, quality improvement and export excellence.



27 January 2011

Sunway honoured at NACRA 2010

Sunway Holdings clinched the Industry Excellence Award under the Construction and Infrastructure Project Companies category at the National Annual Corporate Report Awards (NACRA) 2010.

The award is a strong testament to Sunway's unrelenting commitment to excellence in corporate reporting that exemplifies high transparency and accountability, outstanding practices of business ethics and compliance with corporate governance standards.



3 January 2011

Letters of Award totalling RM219 million from Haluan Prisma Sdn Bhd, Triplc Industries Sdn Bhd and KLCC (Holdings) Sdn Bhd

Sunway Construction accepted the letters of award for the following contracts:-

1. Contract for the proposed design, construction, completion, fitting, commissioning and maintaining the main infrastructure works and satellite works for Universiti Teknologi Mara campus expansion (Zone 1 Phase 2).
2. Contract for the design, construction and completion of the proposed link bridge Phase 2 from Impiana KLCC to Raja Chulan (Pavilion KL).



3 December 2010

Sunway Construction awarded 'Special Mention Award' at MCIEA 2010

Sunway Construction was accorded the Special Mention Award - International Achievement Award category at the Malaysian Construction Industry Excellence Awards (MCIEA) 2010.

The International Achievement Award recognises Malaysian contractors that have achieved outstanding and credible recognition in overseas ventures.

Among the evaluation criteria include the ability to overcome international construction challenges and cultural barriers, adoption of overall quality management system, and able to project an excellent image of Malaysia.



2 December 2010

Prime Minister's CSR Awards 2010

Sunway Group has been recognised for meritorious achievements in Corporate Responsibility, sweeping two leading awards including the overall award at the prestigious PM's CSR Awards 2010.

The Sunway Group took home accolades for:

Category: Education

The award recognises companies that have made serious efforts to improve the level of education and skills of their employees and/or members of the community.

Category: Best Overall CSR Programme

The award recognises the best company CSR programme amongst all the companies nominated and awarded across all categories for the year.



Calendar of Significant Events

26 November 2010

Sunway Merger

Group Chairman Tan Sri Jeffrey Cheah and his daughter Sarena Cheah made an offer to take over the assets and liabilities of Sunway Holding Berhad and Sunway City Berhad via a deal involving cash and shares swap totaling RM 4.5 billion.

The proposed offer aims to unlock value for all shareholders through the creation of a streamlined platform for expansion of the property and construction businesses as well as a realisation of synergies within the Sunway Group.



13 November 2010

Topping out ceremony of the Rihan Heights project in Abu Dhabi

The topping out ceremony of Rihan Heights marks a major milestone for Sunway Construction, signifying the completion of structural works for the project. The ceremony took place with the representatives of the client, Capitala, sinking their spades into fresh cement.



12 November 2010

Sunway Group amongst Malaysia's 100 Leading Graduate Employers in 2010

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

The award, voted on by students and graduates, recognises the industry leaders in the Malaysian graduate recruitment market. Its aim is to identify the top 100 employers which students and graduates would most want to work for upon completion of studies.



3 August 2010

National Kidney Foundation Charity event

The Sunway Group, in collaboration with the National Kidney Foundation of Malaysia (NKF), had raised RM 877,000 for a second unit of the NKF LifeCheck Mobile Health Screening Unit. Founder and chairman of Sunway Group Tan Sri Jeffrey Cheah recently handed the funds to NKF president Tan Sri Dr Abu Bakar Suleiman.



28 June 2010

Letter of Award for RM129 million from PML Dairies Sdn Bhd

Sunway Construction Sdn Bhd accepted the letter of award for a contract worth RM129 million from PML Dairies Sdn Bhd, for the proposed construction of a dairy product factory on Lot 56 (PT125494), Jalan Sungai Pinang 4/5, Pulau Indah (KS 13) Port Klang Bandar Diraja, Selangor Darul Ehsan.



27 May 2010

Letter of Award for RM210 million from Sunway City Berhad

Sunway Construction Sdn Bhd accepted the letter of award for a contract worth RM210 million from Sunway City Berhad for the proposed earthworks, piling and main building works for the proposed mixed development of the following on part of Lot No. PT 391 Section 90, Wilayah Persekutuan, Kuala Lumpur:-

- (a) 1 block of 13-storey 132 units shop offices;
- (b) 1 block of 18-storey 264 units service apartment on a 4-storey podium car park and 2-storey 7 units shop offices;
- (c) Recreational facilities comprising swimming pool, gymnasium, foyer, main lobby, drop-off area;
- (d) 1-storey open deck at 1st floor; and
- (e) 3-storey basement car parks



Calendar of Significant Events

17 May 2010

Letter of Award for RM88 million from Sunway City Berhad

Sunway Geotechnics (M) Sdn Bhd, a wholly-owned subsidiary of Sunway Construction Sdn Bhd, accepted the letter of award for a contract worth RM88 million from Sunway City Berhad ("SunCity") for the proposed earthworks, piling and substructure works for the construction of 1 block of 24-storey office tower and 6-storey basement car park for Phase 3 on part of Lot 42, Jalan PJS11/15, Bandar Sunway, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan.



2 April 2010

Sunway Group honoured at Brand Laureate Awards 2010

Sunway Group Founder and Chairman, YBhg Tan Sri Dato' Seri Dr Jeffrey Cheah, AO was honoured with the Brand Laureate – Brand Personality Award, while the Sunway Group received the Brand Laureate Societe Award for its outstanding philanthropy and humanitarian efforts.

The Brand Laureate Awards was conceptualised to honour brand excellence amongst the best of brands in Malaysia and in the world.



1 April 2010

Letter of Award for RM88 million from Heritage Lane Sdn Bhd

Sunway Construction Sdn Bhd accepted the letter of award for a contract worth RM88 million from Heritage Lane Sdn Bhd, a wholly-owned subsidiary of KLCC Holding Sdn Bhd, for the construction and completion of the main contract and associated works for the proposed Phase 2 of Impiana KLCC Development, which is an extension to the existing hotel wings comprising an additional 3-storey car park podium and 22-storey tower block above the existing 4-storey car park podium on Lots 696, 697 and 698, Seksyen 57, Jalan Pinang, Kuala Lumpur.



18 March 2010

Jeffrey Cheah Foundation Launch

The Jeffrey Cheah Foundation for Education was converted from the Sunway Education Trust Fund. The ownership and equity rights of all four learning institutions have been officially and legally transferred to the Foundation for future safe governance by a Board of Trustees. This not-for-profit entity will be held for perpetuity and will continue to benefit deserving and needy students.



22 January 2010

Sunway Construction continuing journey towards Total Quality Management (TQM) in conjunction with topping up ceremony

This date marked another significant milestone for Sunway Construction as it launched its journey towards achieving TQM. The event was held at Putrajaya in conjunction with the topping up ceremony of 4G10, a 40-storey building for the Ministry of Housing and Local Authority and 4G11, a 41-storey building for the Ministry of Women, Family and Community Development, witnessed by YBhg Tan Sri Dato' Seri Dr Jeffrey Cheah.



Awards and Recognition



1. 2011

Export Excellence Award (Services)

- Sunway Construction Sdn Bhd

Sunway Construction was awarded the Export Excellence Award (Services) by the Ministry of Trade and Industry (MITI) which honours Malaysian companies for performing well in the global marketplace and their commitment and efforts in penetrating the export markets for their products and services.

2. 2010

National Annual Corporate Report Awards (NACRA) 2010 - Industry Excellence Award (Construction and Infrastructure Project Companies)

- Sunway Holdings Berhad

Sunway Holdings clinched the Industry Excellence Award under the Construction and Infrastructure Project Companies category at the National Annual Corporate Report Awards 2010. The award is a strong testament to Sunway Group's unrelenting commitment to excellence in corporate reporting that exemplifies high transparency and accountability; outstanding practices of business ethics and compliance with corporate governance standards.

3. 2010

Sunway Construction awarded 'Special Mention Award' at MCIEA 2010

- Sunway Construction Sdn Bhd

Sunway Construction was accorded the Special Mention Award - International Achievement Award category at the Malaysian Construction Industry Excellence Awards (MCIEA) 2010. The International Achievement Award recognises Malaysian contractors that have achieved outstanding and credible recognition in overseas ventures. Among the evaluation criteria include the ability to overcome international construction challenges and cultural barriers, adoption of overall quality management system, and the ability to project an excellent image of Malaysia.

4. 2010

Malaysia Sustainability Reporting Awards (MaSRA) 2010 - Short-Listed (Annual Report Category)

- Sunway Holdings Berhad

Sunway Holdings was among the short-listed companies (Annual Report Category) at the ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2010. The aim of the award is to give recognition to the organisations which report and disclose environmental and social information, to encourage the uptake of environmental and social reporting and to raise awareness of corporate transparency issues.



5. 2010

The Most Promising Contractor in the Middle East - Sunway Construction Sdn Bhd

Sunway Construction recently garnered "The Most Promising Contractor in the Middle East" at the Malaysian Business Awards 2010, jointly organised by Malaysia Business Council and MATRADE.

6. 2010

Prime Minister's CSR Awards 2010 - The Sunway Group

Sunway Group has been recognised for meritorious achievements in Corporate Responsibility, sweeping two leading awards including the overall award at the prestigious PM's CSR Awards 2010.

The Sunway Group took home accolades for:
Category: Education

The award recognises companies that have made serious efforts to improve the level of education and skills of their employees and/or members of the community.

Category: Best Overall CSR Programme

The award recognises the best company CSR programme amongst all the companies nominated and awarded across all categories for the year.

7. 2010

Malaysia's 100 Leading Graduate Employers 2010 - The Sunway Group

Ranked 22nd, Sunway Group is one of 2010 Malaysia's 100 Leading Graduate Employers, up 12 places from 34th in 2009. Sunway Group was also one of the four nominees in two sector awards - Leisure, Travel & Hospitality and Property & Development. The award, voted on by students and graduates, recognises the industry leaders in the Malaysian graduate recruitment market. Its aim is to identify the top 100 employers which students and graduates would most want to work for upon completion of studies.

8. 2010

The Brand Laureate Awards 2010 - The Sunway Group

Sunway Group Founder and Chairman, YBhg Tan Sri Dato' Seri Dr Jeffrey Cheah, AO was honoured with the Brand Laureate - Brand Personality Award, while the Sunway Group received the Brand Laureate Societe Award for its outstanding philanthropy and humanitarian efforts. The Brand Laureate Awards was conceptualised to honour brand excellence amongst the best of brands in Malaysia and in the world.

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PERFORM

PERFORMANCE REVIEW





Dato' Yau Kok Seng
Managing Director

A

mid the global recovery, the Group, armed with its well-crafted strategies, remained steadfast and delivered an outstanding performance.

Managing Director's Review

The Group delivered record financial profits and achieved significant operational milestones in 2010. We attribute this success to careful planning and execution of our key growth strategies which include overseas expansion, focusing on our core competencies and leveraging on strategic partnerships.

Construction



Construction - South Klang Valley Expressway

The Construction Division continued to be the main driver for our results during the year with strong contribution coming from our overseas projects.

In 2010, the division successfully completed several projects including Section 1B of the South Klang Valley Expressway and the infrastructure works in Precinct 11, Putrajaya.

Locally, our major on-going construction projects include the 2 government building projects in Precinct 4, Putrajaya as well as the 3-star hotel and office tower in Precinct 1, Putrajaya. These projects are expected to be completed in 2011. Overseas contracts which are steadily underway include the rehabilitation and upgrading of highways in Uttar Pradesh which is part of the East West Corridor Project, Al-Reem Island Project and the Rihan Heights project in Abu Dhabi. The Rihan Heights project reached the top level in November 2010 and is on schedule for completion in 2011.

The division also replenished its order book during the year by securing new construction orders of almost RM1 billion in 2010. These include the extension of the Impiana Hotel at Jalan Pinang, Kuala Lumpur, the expansion of the UiTM campus, PML Dairies Factory, and Phase 1A of Sunway Velocity.

Our precast concrete products arm in Singapore continued its stellar performance during the year contributing to the division's respectable bottom line. With an outstanding order book of almost RM300 million

and potential new contracts in the coming year, we expect continued growth from our Singapore precast division.

The Group's outstanding order book of RM2.4 billion as at the end of 2010 will keep us busy for the next 2 years. We shall continue to focus on the enhancement of our order book whilst maintaining a healthy margin. Despite a very competitive playing field, we are confident of securing more contracts in the near future to replenish our order book. For the current year, we expect an increase in construction activities as a result of the pick-up in private development activities and the implementation of various projects under the Economic Transformation Programme. The risk from spiraling material prices is managed through continued monitoring and meticulous project planning and execution.

Property Development



Property Development - The Peak @Toa Payoh, Singapore

It was an exciting year for the Property Development Division with constant news flow throughout the year.

On the local front, the Group completed the 1st phase of Paragon Point, a commercial development project within the vibrant Bangi Integrated Commercial Center, Bangi New Town, Selangor. The next phase of Paragon Point, was launched in the 2nd half of 2010, with a Gross Development Value (GDV) of RM53 million. Another commercial development situated along the Federal Highway in the Klang Valley named SunwayPJ@51a has been completed and is expected to be handed over by 2nd quarter of 2011. The Group's flagship residential project, Sunway Rydgetway in Melawati, Kuala Lumpur, is almost fully sold and construction is currently underway.

Managing Director's Review

Our property development activity in Singapore has reached greater heights. Our Design, Build and Sell Scheme (DBSS) projects, City View @ Boon Keng and The Peak @ Toa Payoh, developed with our Singaporean joint venture partner, are fully sold and contributed significantly to the bottom line of the division. We launched our 3rd property project, Vacanza @ East during the 2nd half of 2010. Vacanza @ East is our first private, freehold housing project in Singapore and is about 50% sold.

Encouraged by the success of the earlier mentioned projects, the Group made conscious efforts to venture further into the Singapore property market. With our joint venture partner, the Group successfully secured 3 pieces of strategically located land – at Yishun for a 99-year leasehold condominium development, Tampines for an Executive Condominium housing development and Yuan Ching Road for a DBSS development. These developments are expected to be launched in 2011.

The Group also ventured into its first fully-owned property project by acquiring a parcel of land in Sembawang from the Urban Redevelopment Authority of Singapore (URA). Measuring at 0.77 acres, the land is marked for a development project comprising 3-storey terrace houses. This project will also give a boost to the Group's construction division as the geotechnical and construction works will be performed internally.

With unbilled sales exceeding RM400 million, new launches in the pipeline both locally and abroad coupled with continuous exploration for new land banks, this Division is poised for greater growth.

Trading and Manufacturing

Our Trading and Manufacturing Division is one of the Group's division with the highest growth.

With a distribution network spanning over 7 countries, the division leverages on a strong information technology system and effective business model to continue enhancing its regional presence. The division successfully expanded its branches to Guangzhou, Chengdu and Tianjin in China as well as Batam in Indonesia during the year, bringing the total number of branches to 42.

The Group successfully turned around its Australian trading operations during the year with the operations recording decent profits. The Group had acquired Totalrubber Ltd, an Australian-based company in 2008, as part of the Division's regionalisation strategy.

The Group's venture upstream into the manufacturing of undercarriage parts in China, via a partnership with the Korean Daechang Group, has borne synergistic



Trading and Manufacturing - Ammann Compactor

benefits. In the longer term, it is the Group's aim to become a full-fledged track group manufacturer.

Our trading arm also relies on the expansion of agency lines in order to continue providing sustainable earnings to the Group. During the year, we secured new agency lines such as Lonking for wheel loaders and Ammann for compactors in our heavy equipment sub-division giving us a wider range of products.

Quarry

With slower than expected roll-out of construction projects during the year, our quarry division operated in a challenging environment with softer demand for quarry-related products.

However, the Group continues to be positive on the prospects of our quarry division and expect the division to garner better results in the coming year with an expected increase in construction activities. The Group plans to further expand its quarry presence to other locations such as the East Coast and Johor.



Quarry - Local operations

Building Materials



Building Materials - Keystones

The Building Materials Division had a tough year with write-downs for property, plant and equipment and inventories affecting its bottom-line. Nevertheless, the division achieved numerous milestones.

The division's pavers operations enhanced its existing range of products with the launch of 'Blink Eurotiles' and 'Prime Pavers' in 2010. It also commenced the manufacturing of 'Keystones' and 'ArmorFlex' for use in slope and river embankment protection in China. During the year, the Group successfully completed the supply of pavers for the Shanghai EXPO 2010 and Asian Games 2010.

Barring any unforeseen circumstances, the performance of this division is expected to improve in the near future.

In Summary

It was indeed a successful year for us, as the Group fulfilled our promise of delivering record profits. Our Construction Division, backed by a healthy order book, will continue to contribute significantly to the Group's results. The Property Development Division boosted the Group's earnings with strong recognition of profits from our Singapore property development activities. This will carry on in the coming year as the Group launches more products both locally and overseas.

Meanwhile, our Trading and Manufacturing Division's expansion strategy successfully increased its contribution to the Group's profits. The division will continue to explore new expansion opportunities, including moving upstream into manufacturing. The Quarry and Building Materials Divisions are expected to perform satisfactorily in the coming year despite the challenges it faces.

The Group also maintains a strong balance sheet position with a healthy gearing level, well positioning it for future growth.

Human Capital

Employees with the highest technical and leadership capabilities are essential in order for the Group to continue delivering on its strategic objectives. Hence, talented people are recruited from around the globe and are developed into exceptional leaders in this fast paced and highly volatile environment. This is undertaken in the interest of delivering the best performance and value to our stakeholders.

Moving Forward

Looking forward, our excellent portfolio of current and future projects across several divisions positions us to achieve our growth strategies. We shall continue to focus on executing the projects we have on hand and further expanding our presence regionally.

On the corporate front, the proposed merger between the Group and Sunway City Berhad is expected to be a platform for sustainable growth. Consolidating both listed vehicles will provide an opportunity to harness Group synergy, re-articulate the "Sunway" brand, re-align the investor base and renew the interests of foreign investors.

Dato' Yau Kok Seng
Managing Director

5-Year Financial Highlights

	FYE2010	*FPE2009	FYE2008	FYE2007	*FPE2006
		(restated)	(restated)	(restated)	(restated)
	RM'000	RM'000	RM'000	RM'000	RM'000
OPERATING RESULTS					
Revenue	2,014,474	2,639,152	1,825,203	1,896,541	2,057,266
Profit from ordinary activities before taxation	211,018	153,162	128,522	17,678	28,090
Tax expense	(36,876)	(32,951)	(26,305)	(21,510)	(29,604)
Profit / (Loss) after tax	174,142	120,211	102,217	(3,832)	(1,514)
Minority interest	(11,090)	(10,362)	(2,062)	(5,551)	(10,477)
Net profit/ (loss) for the financial year/period	163,052	109,849	100,155	(9,383)	(11,991)
KEY BALANCE SHEET DATA					
Property, plant and equipment	384,178	402,290	344,938	294,452	265,497
Investment properties	49,844	3,665	3,876	3,876	3,876
Rock reserves	9,314	10,249	1,789	1,810	-
Investments in associates and jointly controlled entities	434,743	296,611	139,746	116,880	52,865
Other investments	1,711	1,692	11,080	1,619	2,232
Receivables	19,669	16,843	11,468	7,757	10,366
Land held for property development	119,084	82,247	68,988	52,757	66,935
Goodwill	127,842	128,728	125,991	116,011	114,100
Deferred tax assets	14,194	14,611	14,853	15,019	12,600
Current assets	1,321,015	1,349,947	1,299,616	1,434,626	1,383,260
Total assets	2,481,594	2,306,883	2,022,345	2,044,807	1,911,731
Current liabilities	1,032,111	1,018,077	906,381	1,296,391	852,339
Non current borrowings	398,984	411,478	455,576	93,357	407,964
Deferred tax liabilities	17,435	18,139	15,204	15,427	17,546
Derivatives	133	-	-	-	-
ABS Senior Notes	-	-	-	90,846	89,873
Total liabilities	1,448,663	1,447,694	1,377,161	1,496,021	1,367,722
Total net assets	1,032,931	859,189	645,184	548,786	544,009
Minority interests	95,975	88,229	46,747	40,053	27,579
Shareholders' equity	936,956	770,960	598,437	508,733	516,430
FINANCIAL RATIOS					
Profit from ordinary activities before tax to revenue (%)	10.48%	5.80%	7.04%	0.93%	1.37%
Basic earnings/(loss) per share (sen)	28.22	20.50	18.53	(1.74)	(2.22)
Dividends (sen)	-	2.25	2.83	-	-
Share price (RM)	2.24	1.27	1.16	1.48	0.48
Price-earning ratio (times)	7.94	6.20	6.26	(85.06)	(21.62)
Return on capital employed (ROCE) (%)	18.86%	18.77%	23.90%	8.76%	11.85%
Net gearing ratio (times)	0.37	0.65	0.95	1.02	0.94
Net tangible assets per share (sen)	131.83	105.19	85.89	72.19	74.45
Total assets turnover (no. of times)	0.81	1.14	0.90	0.93	1.08
Share capital ('000)	606,699	600,808	547,959	541,507	540,367

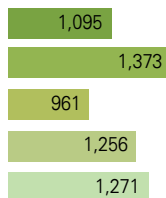
* 18 months

Segmental Performance

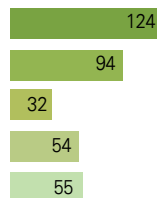
Revenue

RM
1,095 mil

(5 years revenue
performance)
RM million



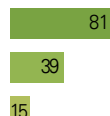
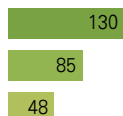
(5 years operating
profit performance)
RM million



CONSTRUCTION

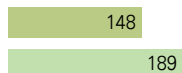
Revenue

RM
130 mil



Operating Profit

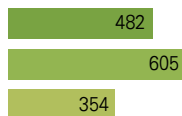
RM
81 mil



PROPERTY
DEVELOPMENT

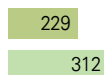
Revenue

RM
482 mil



Operating Profit

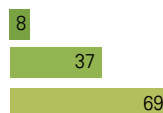
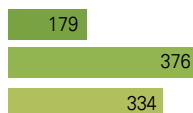
RM
38 mil



TRADING AND
MANUFACTURING

Revenue

RM
179 mil



Operating Profit

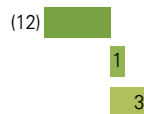
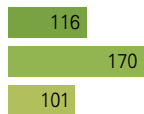
RM
8 mil



QUARRY

Revenue

RM
116 mil



Operating loss

RM
(12) mil



BUILDING
MATERIALS

■ FYE2010 ■ *FPE2009 ■ FYE2008 ■ ^FYE2007 ■ *FPE2006

FYE - Financial Year Ended

FPE - Financial Period Ended

^ 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.



Ng Lai Ping

Chief Financial Officer

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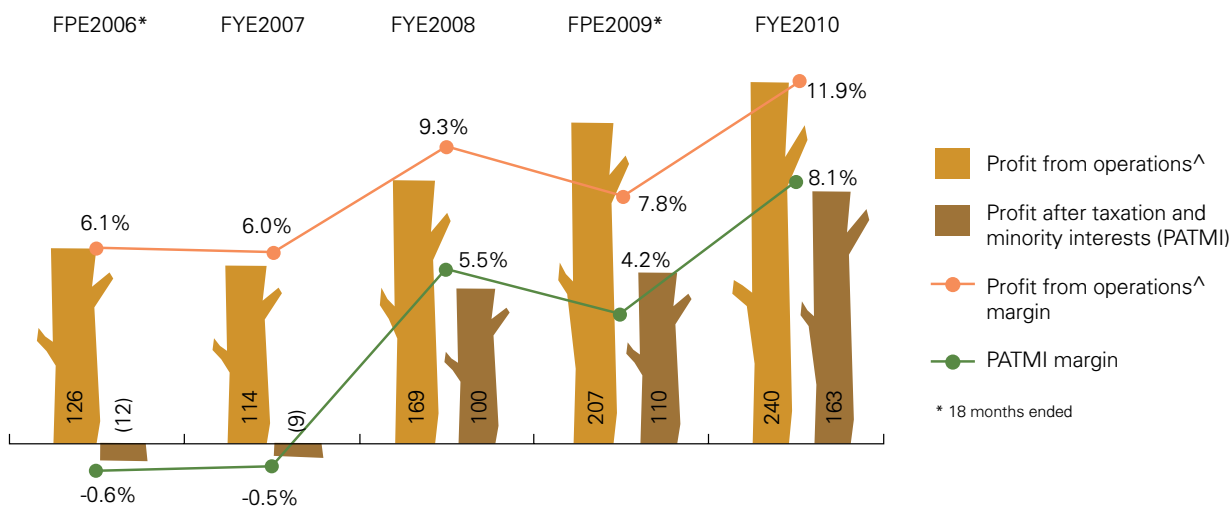
he global recovery in 2010 was led by emerging countries in Asia. During the year, China surpassed Japan as the world's second largest economy, whilst our neighbour Singapore posted a GDP growth of 14% year-on-year. Malaysia had its fair share of exciting prospects with the announcement of the liberalisation of the ringgit and the Economic Transformation Programme in the second half of 2010. However, economic activity in developed countries remained subdued, with the prolongation of the Eurozone debt crisis and high unemployment across traditional giants like the United States and the United Kingdom.

Notwithstanding the above, the Group had cause to celebrate as it achieved its highest ever net profit since the listing of the Group.

Chief Financial Officer's Review

Over The Years

5-Year Profit and Margin Trend



Key Highlights for 2010

- 48% growth in PATMI to RM163 million
- 38% growth in earnings per share to 28.22 cents
- 20% growth in net assets per share to RM 1.54
- 43% reduction in gearing ratio to 0.37 times

How We Performed

All in RM'million	FYE2010 (12 months)	FPE2009 (18 months)
Revenue	2,014	2,639
Profit from operations^	240	207
Profit before taxation (PBT)	211	153
PATMI	163	110
Profit from operations^	12%	8%
PBT margin	10%	6%
PATMI margin	8%	4%
Basic earnings per share (sen)	28.22	20.50

^ Includes share of results in jointly controlled entities and associates

Record Breaking Year

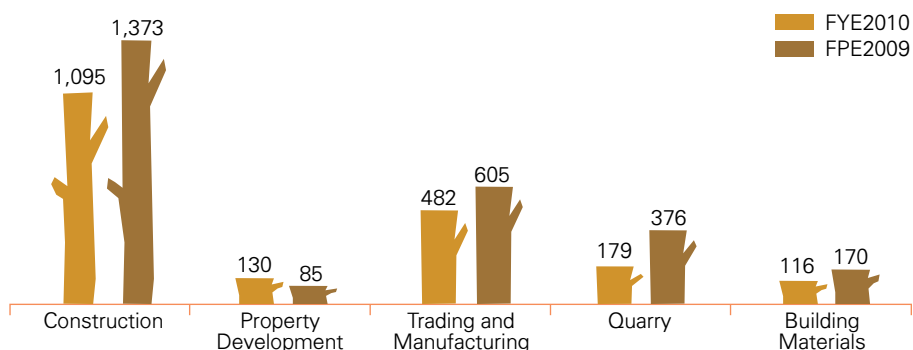
Sunway recorded revenue of RM2 billion with a record net profit of RM163 million for the financial year ended 31 December 2010. The Group's earnings were mainly driven by the construction division, followed by the property development and the trading and manufacturing divisions.

Apart from the excellent operational performance, the growth in net profit was also attributed to the

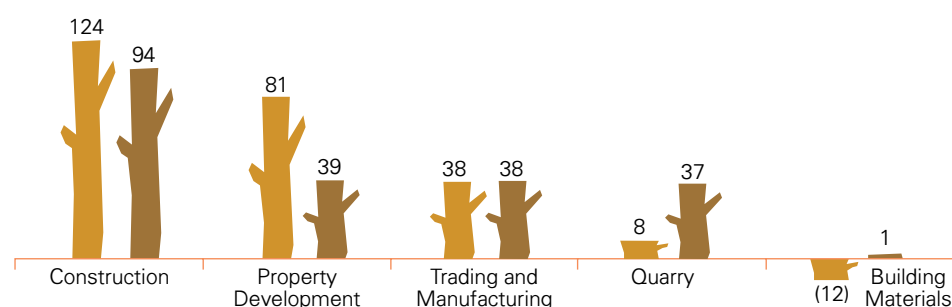
RM13.3 million gain on disposal arising from the completion of the disposal of its sole hotel property, Sunway Hotel Hanoi, to Sunway City, and the RM14.5 million gain arising from the adoption of FRS 139 Financial Instruments: Recognition and Measurement (FRS 139). The FRS 139 gain above was mainly as a result of fair value movements of foreign currency forward contracts which have been recognised in the income statement.

Chief Financial Officer's Review

Segmental Revenue



Segmental Profit from Operations



The Construction Division maintained its position as the key contributing segment of the Group's profitability. The division reported revenue of RM1.1 billion and profit from operations of RM124 million (2009: RM1.4 billion and RM94 million). On an annualised basis, this represents a growth of 18% and 98% for revenue and profit from operations respectively compared to the previous financial period. Whilst stronger margins were recorded by its Singapore precast division and profit recognised from the Rihan Heights project in Abu Dhabi, there were losses incurred at the associate level as a result of the reversal of profits previously recognised for certain overseas contracts. With an outstanding order book of RM2.4 billion as at the end of 2010 and the promising outlook of order book replenishment in 2011, as reflected by the government's resolute commitment in boosting the local construction industry, the Division will continue to be the key earnings driver to the Group in the coming year.

The Property Development Division registered revenue of RM130 million and a healthy profit from operations of RM81 million contributed from both its local and Singapore projects (2009: RM85 million and RM39 million). The Group's second property development project in Singapore, The Peak @ Toa Payoh commenced

profit recognition during the year. The Group also launched its first freehold private development project, Vacanza @ East at District 14, Singapore, which will contribute positively to the future earnings of the Group. The Division's future prospects look bright, as four other housing projects – Miltonia Close at Yishun, Tampines Avenue 8, Yuan Ching Road and Sembawang Greenvale have been earmarked for launch in 2011. The division will continue to explore for new strategic land banks, both locally and in Singapore, to ensure sustainable earnings in the years to come.

The profitability levels of the Group's Trading and Manufacturing Division continued to show resilience in the financial year under review. The division reported revenue of RM482 million and profit from operations of RM38 million (2009: RM605 million and RM38 million). On an annualised basis, this represents an increase of 20% and 50% in revenue and profit from operations respectively compared to the previous financial period. The overseas market penetration strategy has proven to be successful with the increase in the number of branches from 37 to 42, and higher margins contributed by countries like China, Indonesia and Australia.

The Quarry Division reported revenue of RM179 million and profit from operations of RM8 million (2009: RM376 million and RM37 million). On an annualised basis, this represents a reduction of 29% and 68% in revenue and profit from operations respectively compared to the previous financial period. The division's results worsened due to the soft demand in Malaysia and aggravated by the devaluation of the Vietnamese Dong in Vietnam. Moving forward, the division is expected to show an improvement in results with the pick-up in the local infrastructure projects from the upcoming Light Rail Transit (LRT) and Mass Rapid Transit (MRT) projects.

The Group's Building Materials Division recorded revenue of RM116 million and a loss of RM12 million (2009: RM170 million and profit RM1 million). The loss includes the provisions for impairment losses for property, plant and equipment and inventories made for its cavity wall and pipe operations.

Financial Liquidity and Position

All in RM'million	FYE2010 (12 months)	FPE2009 (18 months)
Cash from operations	234	310
Taxation (net)	(19)	(29)
Interests received	2	3
Net cash flow from operating activities	217	284
Net cash flow from investing activities	(24)	(200)
Net cash flow from financing activities	(120)	(17)
Increase in cash and cash equivalents	73	68
Closing balance	246	183
	FYE2010	FPE2009
Net Assets Per Share (RM)	1.54	1.28
Net Gearing (Times)	0.37	0.65

Towards An Efficient Capital Structure

The Group generated net cash flow from operations of RM217 million during the financial year which were utilised in investing and financing activities. The net cash outflow from investing activities was primarily due to advances to our jointly-controlled entity in relation to our property development projects in Singapore.

During the year, the Group obtained approval to issue up to RM500 million in nominal value of commercial papers and/or medium term notes and refinanced its syndicated term loan. On the back of higher shareholders' funds, the Group's de-gearing efforts paid off with an improvement in its net gearing position from 0.65 times at the end of the last financial period to a healthy level of 0.37 times at the end of the year.

Bright Future Ahead

As announced in December 2010, the Board of Directors has accepted the offer from Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) in relation to the proposed merger of Sunway Holdings Berhad and Sunway City Berhad.

The Group's priority is to maintain its focus on achieving sustainable earnings by ensuring continuous order book enhancement and land bank replenishment. The Group strives towards achieving continuous earnings growth and maximising long-term shareholders' value by executing well-planned growth strategies and solidifying our regional presence. With resilience in our financial performance and sound financial discipline, coupled with the well-diversified portfolio of its businesses, the Group is confident of achieving higher margins and bigger successes for the enlarged Group upon completion of the merger.



Ng Lai Ping
Chief Financial Officer

Value Added Statement

	FYE2010 RM'000	* FPE2009 RM'000
Value Added		
Total revenue	2,014,474	2,639,152
Purchases of goods and services	(1,595,533)	(2,178,881)
Value Added by the Group	418,941	460,271
Share of profits of associates	(24,411)	20,766
Share of profits of jointly controlled entities	103,244	51,175
Total Value Added	497,774	532,212

Reconciliation:		
Profit for the year	163,052	109,849
Add: Depreciation and amortisation	47,909	66,015
Finance costs	35,825	59,474
Staff costs	203,022	253,561
Taxation	36,876	32,951
Minority interests	11,090	10,362
Total Value Added	497,774	532,212

Value Distributed

Employees

Salaries and other staff costs	203,022	253,561
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Government

Corporate taxation	36,876	32,951
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Providers of capital

Dividends	12,984	11,773
Finance costs	35,825	59,474
Minority interests	11,090	10,362

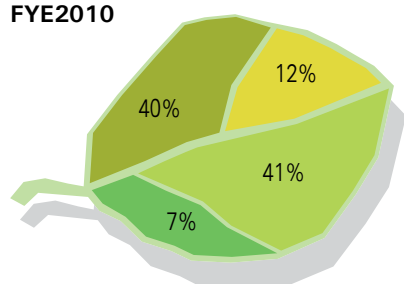
Reinvestment and growth

Depreciation and amortisation	47,909	66,015
Income retained by the Group	150,068	98,076

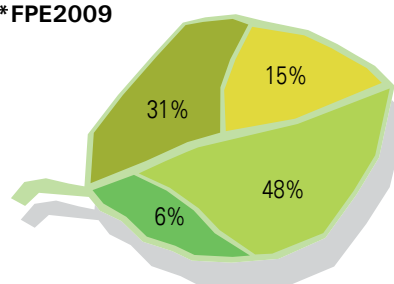
Total Distributed	497,774	532,212
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Value Distributed

FYE2010



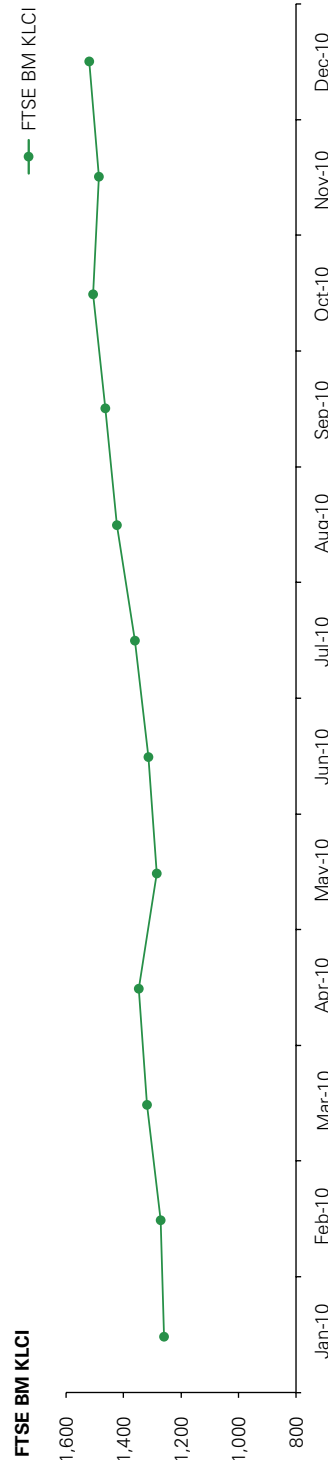
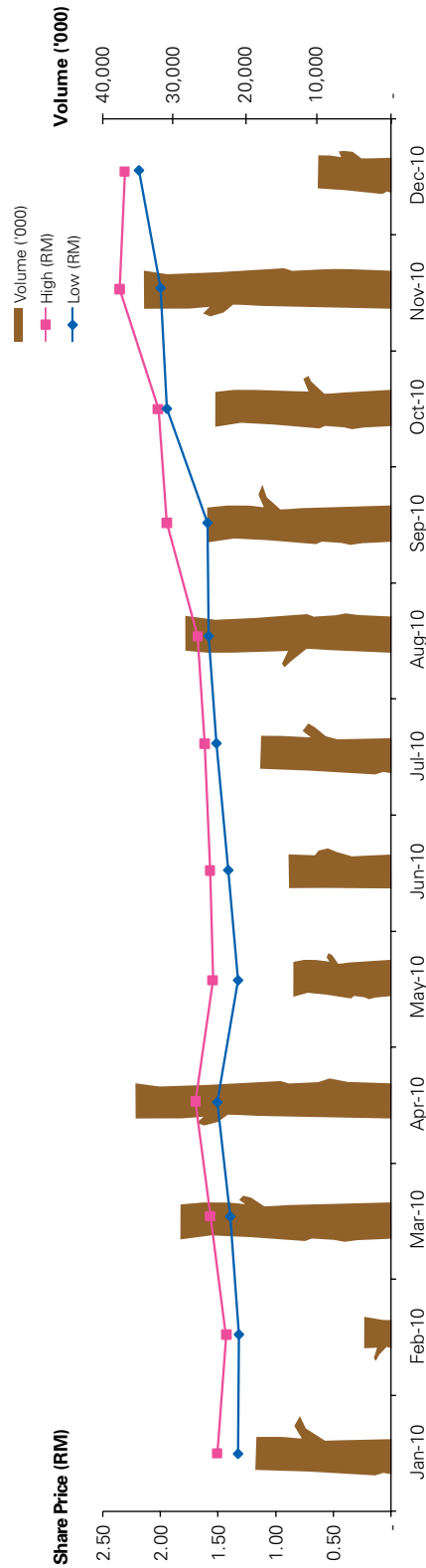
* FPE2009



Reinvestment and growth Providers of capital Employees Government

* 18 months

Share Performance



	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
High (RM)	1.49	1.41	1.55	1.68	1.53	1.55	1.60	1.66	1.93	2.00	2.34	2.29
Low (RM)	1.31	1.31	1.38	1.49	1.31	1.40	1.50	1.57	1.58	1.93	1.99	2.23
Volume ('000)	18,480	3,410	28,980	35,330	13,800	13,940	17,820	28,230	25,240	23,980	33,790	9,860
FTSE BM KLCI*	1,259	1,271	1,321	1,346	1,285	1,314	1,361	1,422	1,464	1,506	1,485	1,519

* Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index

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Profile of Board of Directors

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Profile of Senior Management





ALARY ERSHIP



Profile of Board of Directors

Aged 65, is the Founder and Executive Chairman of Sunway Group. A business graduate of the Victoria University in Melbourne, Australia, began his career as an accountant at a motor assembly plant in Malaysia. In 1974, founded and started the Sunway Group.

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

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

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

Other achievements are listed below:-

2007 - the prestigious Monash University School of Medicine and Health Sciences was named after Tan Sri Jeffrey Cheah in appreciation of his immense contribution to Monash University Sunway Campus and Malaysia-Australia bilateral ties.

- 2006 - His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University.
- 2002 - Deputy President of National Kidney Foundation of Malaysia.
- First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.
- 1999 - Founding Trustee of Malaysian Liver Foundation.
- 1997 - President of Malaysian Hakka Association (until 2004).
- Council Member of Financial Reporting Foundation.
- 1996 - Appointed by the Minister of Education to the Higher Education Council of Malaysia.
- Appointed Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing.
- EXCO member of Malaysian Tourism Action Council.
- 1990 - Appointed Director of National Productivity Centre.

Other awards bestowed upon him include Property Man of the Year (Malaysia) in 1993, CEO of the Year (Malaysia) in 1996, Paul Harris Fellow Award in 2002 and Asia's Most Innovative Chinese Entrepreneur Award in 2005.

Appointed to the Board of 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 directorships in other public companies include Sunway City Berhad ("SunCity"), Sunway Medical Centre Berhad, ASLI Foundation, Jeffrey Cheah Foundation, Mahathir Science Award Foundation and Razak School of Government.

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

Profile of Board of Directors



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

Aged 65 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.



DATO' YAU KOK SENG
Managing Director,
Non-Independent Executive Director
Malaysian

Aged 51 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. Is also the Vice President of Guangdong Chamber of Investment, Malaysia.

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



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

Aged 60 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 30 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 directorships in other public companies include Malaysian South-South Corporation Berhad and Malaysia Property Incorporated.

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



KWAN FOH KWAI, JMN
Non-Independent
Non-Executive Director
Malaysian

Aged 59 and holds a Bachelor of Engineering (Civil) (Honours) Degree from University Malaya in 1977. Is the President of the Master Builders Association of Malaysia (MBAM) for 2010 to 2012.

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

Profile of Board of Directors



WONG CHIN MUN
Senior Independent
Non-Executive Director
Malaysian

Aged 66 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 the 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 as well as an EXCO member of the Transparency International Malaysia, an independent, non-governmental and non-partisan organisation committed to fight against corruption.

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

Current directorship in other public company includes Khind Holdings Berhad.

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



DATUK LOW SENG KUAN
Independent Non-Executive Director
Malaysian

Aged 64 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.

Began his career as an Accountant in Malaysian Sheet Glass Sdn Bhd and was the Managing Director before he retired in March 2010. Currently, the President of the Transparency International Malaysia, an independent, non-governmental and non-partisan organisation committed to fight against corruption.

Former President of the Federation of Malaysian Manufacturers (FMM) and is currently the Vice-President. In the past, had served as a Member of the National Economic Action Council (NEAC), National Economic Consultative Council II (NECC II), Malaysian Industrial Development Authority (MIDA) and Malaysian Institute of Economic Research.

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

Current directorship in other public company includes Pos Malaysia Berhad.

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



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

Aged 74 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 the Chairman of Konsortium ABASS Sdn Bhd.

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

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 Jeffrey Cheah Fook Ling is a Director and Major Shareholder of SunCity Group, whose principal activities include 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 (i.e. property development).
- (b) Dato' Chew Chee Kin is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, a 76.93% owned subsidiary of Sunway, whose principal activities are investment holding and provision of management services.
- (c) Dato' Yau Kok Seng is a Director and shareholder of Sunway. He is also a Director and shareholder of Sunway Global Limited, a 76.93% 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



NG LAI PING

Chief Financial Officer

Chartered Accountant, FCCA, MIA

Ms Ng Lai Ping is a Fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. She has more than 10 years of experience in auditing and accounting. Prior to joining the Sunway Group, she was the Senior Manager in the Assurance and Advisory Business Services of Ernst & Young, providing advisory, accounting and audit services for Malaysian and International clients principally involved in trading, manufacturing, property development and hospitality services. She joined Sunway Infrastructure Berhad (SIB) in 2004 as Group Financial Controller. SIB's principal activity was investment holding and its subsidiary company held a concession to build, operate and collect toll for a period of 36 years. She subsequently assumed the role of Chief Financial Officer of Sunway Construction Sdn Bhd after the divestment of SIB by Sunway. She was promoted as Chief Financial Officer of Sunway in 2009.



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 22 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 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). He has been invited to speak at various conferences and seminars on topics relating to human resource, talent management and development and succession planning.



TEH QUEN CHANG

Executive Director - Quarry Division

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

Mr Teh Quen Chang has more than 22 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 27 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 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. He was instrumental in expanding the business to many overseas countries including Singapore, Thailand, Indonesia, China, and Australia and also establishing manufacturing companies for some of the products.

**DANNY NG BOON LIANG**

**Executive Director - Building
Materials Division**

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

Mr Danny Ng has over 22 years of working experience, including 15 years in quarry operations and road construction for the Quarry Division of the Sunway Group. He currently oversees the Building Materials division which includes the Interlocking Concrete Pavers for Malaysia and China, Reinforced Concrete Pipes and Precast Concrete related products and Vitrified Clay Pipes divisions. 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.

**DANIEL LIM HIN SOON**

**Executive Director -
SunwayMas Sdn Bhd**

*Bachelor of Science in Civil
Engineering
Masters in Business Administration,
National University of Singapore*

Mr Daniel Lim has more than 25 years of experience in the property development industry. Prior to joining SunwayMas, he was the Chief Operating Officer of TA Properties Sdn Bhd. He began his professional career with the Ministry of Environment of Singapore, and subsequently became part of the driving force behind Malton Berhad as Director (Property Development), and Glomac Berhad as Group General Manager. With extensive working experience in a multitude of key operation sectors, his expertise includes Property Development, Sales & Marketing, Property Investment and Management, Business Development and Project Management. He joined SunwayMas as Executive Director on January 3, 2011. Currently, he oversees and manages SunwayMas' ongoing and future developments including its flagship residential projects, Sunway Rydgeway and Equine Park; and commercial projects, the Bangi Integrated Commercial Centre (BICC) and SunwayPJ@51a.

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Construction

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Property Development

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Trading and Manufacturing

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Quarry

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Building Materials

A stylized illustration of a man in a suit, rendered in a flat, geometric style. The man has an orange head with a white crescent-shaped smile, a white shirt, a black tie, and a dark grey suit jacket. A large, bright yellow speech bubble is positioned to the right of his head. The background is a solid red color.

**CORE
SOLU**



UTIONS

Construction



*Government Building
at Lot 4G11, Precinct 4*

Revenue
RM1,095 million

Contracts secured in 2010
RM1.0 billion

Operating Profit
RM124 million

Outstanding order book (December 2010)
RM2.4 billion

An award-winning contractor with ISO 9001, ISO 14001 and OHSAS 18001 certification, Sunway Construction Sdn Bhd is one of Malaysia's leading construction companies that provides total design and build solutions in building and civil engineering works, Industrialised Building Systems (IBS) products, geotechnical solutions, mechanical and electrical engineering solutions, machinery and logistics, as well as decorative stones.

The division has seen impressive growth over the years and is continuing its expansion into global frontiers including Singapore, the Middle East and India.

The division was accorded 2 awards during the year. The first award was the "Special Mention Award - International Achievement Award" category in the Malaysian Construction Industry Excellence Awards 2010, which recognises Malaysian contractors which have achieved outstanding and credible recognition in overseas ventures. The second award was "The Most Promising Contractor in the Middle East" at the Malaysia Business Awards 2010, jointly organised by Malaysia Business Council (UAE) and Matrade. Recently, the division garnered the "Export Excellence Award (Services)" from the Ministry of Trade & Industry (MITI), which honours Malaysian companies for performing well in the global marketplace and their commitment and efforts in penetrating the export markets for their products and services.

DOMESTIC PRESENCE

The Putrajaya projects which include the design and construction of Government Buildings at Lot 4G10 & 4G11 in Precinct 4 are progressing on schedule, with architectural works currently on-going. Both buildings are expected to be completed in 2011. Section 1B of the South Klang Valley Expressway and the infrastructure works in Precinct 11, Putrajaya were completed.

Structural works are currently on-going for the design and construction of the RM147 million 3-star hotel and office tower at Precinct 1, Putrajaya.

The division's order book expanded with the award of almost RM1 billion worth of new construction contracts during the year. Some of the major contracts awarded include: -

- Earthworks, piling and main building works for Phase 1A of Sunway Velocity (RM210 million).
- Design, construction and completion for Universiti Teknologi Mara campus expansion and the proposed link bridge Phase 2 from Impiana KLCC to Raja Chulan (Pavilion KL) (RM219 million).
- Construction of a dairy product factory in Port Klang (RM129 million).
- Construction and completion of the proposed Phase 2 of Impiana KLCC Development, which is an extension to the existing hotel wings comprising an additional 3-storey carpark podium and 22-storey tower block above the existing 4-storey car park podium, located in Jalan Pinang, Kuala Lumpur (RM88 million).

OVERSEAS PRESENCE

Abu Dhabi

The Rihan Heights project in Abu Dhabi achieved topping out in November 2010 and is on schedule for completion in mid 2011. This project involves the construction of 5 residential towers, a 3-level podium, 14 townhouses, a clubhouse and 1,208 car parking lots which was awarded to the Joint Venture between Sunway Innopave Sdn Bhd and Silver Coast Construction & Boring LLC.

Singapore

The division's precast concrete products plant was established in Singapore since the year 1999, and is an approved precaster by the Housing and Development Board (HDB) Singapore for public housing projects. The plant, located in Tampines, has a capacity of 120,000m³ per annum to meet the growing demand for HDB houses. Its outstanding order book of almost RM300 million as at December 2010 includes the supply of precast concrete products to public housing projects by HDB as well as for own development projects in Singapore.

India

The East West Corridor Project to rehabilitate and upgrade the National Highway-25 from Km 104 to Km 170 in the State of Uttar Pradesh was substantially completed and the taking over certificate obtained in January 2011. The construction works at Cochin is now 80% complete and is expected to be completed in 2011.



Precinct 11, Putrajaya - infrastructure works



Rihan Heights, Abu Dhabi - in progress

Property Development



Sunway Rydgeway, Melawati

Revenue
RM130 million

Launches in 2010
RM460 million

Operating Profit
RM81 million

Outstanding Land Bank (December 2010)
343 acres, GDV 4.5 billion

Sunway's Property Development division continues to build upon its reputation as a high quality boutique property developer by fulfilling the demand for strategically located mixed commercial and residential properties both locally and abroad. All its developments are complemented by a host of existing urban amenities and are accessible via several major roads and highways.

DOMESTIC PRESENCE

Ongoing projects within the Klang Valley include Paragon Point 2 in Bangi and Sunway Rydgement in Melawati. These strategically located projects are under construction and progress has been healthy. Works on the division's next high-end residential development in Taman Equine is being planned.

SunwayPJ@51a

This commercial development strategically located along the Federal Highway and comprising 88 office suites, 11 retail outlets and 6 showrooms was completed in 2010.

Bangi Integrated Commercial Centre

The Bangi Integrated Commercial Centre is the first-of-its-kind commercial development in Bangi New Town spanning 30 acres. The division successfully completed Paragon Point, comprising 80 units of 4-storey shop offices, in June 2010. Subsequently, Paragon Point 2, which offers 104 units of 4 and 5-storey modern shop offices with a total GDV of RM53 million, was launched in the second half of 2010.

Sunway Rydgement

This flagship high-end residential project situated in Melawati, Kuala Lumpur has seen tremendous progress in its development and encouraging sales in 2010. It continues to garner significant interest and is scheduled for completion in 2011.

OVERSEAS PRESENCE

Singapore

Following from the success of its first two public housing projects, City View @ Boon Keng and The Peak @ Toa Payoh that were fully sold, four other housing projects are expected to be launched in 2011. The Group's first 99-year leasehold housing project in Miltonia Close, Yishun will be launched by mid 2011. This will be followed by an Executive Condominium housing development project located at Tampines Avenue 8 and the Group's third DBSS project at Yuan Ching Road. Lastly, the land at Sembawang Greenvale has been earmarked for 15 units of 3-storey terrace houses.

Sunway's first private property development project in Singapore, Vacanza @ East was launched in 2010 with a total GDV of approximately RM1.1 billion, of which Sunway has a 30% share. The project is located on freehold land at Jalan Senang, District 14 and has the strategic advantage of being easily accessed via the Pan Island Expressway and the East Coast Parkway.

China

The development of medium to high-end condominiums in Jiangyin, China is the division's maiden venture in China. This 17-acre project has a total GDV of RM492 million and is strategically located within the central business district of Jiangyin New Harbour City. 4 blocks of condominiums with a GDV of RM253 million was launched during the year, of which Sunway has a 26% share.



City View @ Boon Keng, Singapore

Vacanza @ East, Singapore

Trading and Manufacturing



Hoses and Fittings

Revenue
RM482 million

Regional Presence
7 countries

Operating Profit
RM38 million

Distribution Points
42

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

Leveraging on a vast distribution network of 42 branches and warehouses covering over 7 countries in the Asia Pacific region, the division is constantly pursuing market leadership. The division is driven by its passion in providing the best value product from the best manufacturer via global sourcing to continue expanding its 8,100 customer base in 32 countries.

The replicable nature of its business model enables penetration and expansion to new locations. The division uses Information Technology as an enabler to make it a cohesive division.

Strong brand recognition through its own brand "Sunflex" for hoses and fittings, and "Suntrak" for heavy equipment parts, together with being the distributor for global brand names such as TREK and FP Diesel for heavy equipment parts, Furukawa, Airman, Sany, Lonking and Ammann for its heavy equipment division has stamped the division's position as a preferred market partner.

DOMESTIC PRESENCE

Malaysia

Since its inception in 1987, the division has built up a wide network of loyal customers and a strong brand name and now has 14 branches strategically located all over Peninsular and East Malaysia. A new branch in Sandakan was added to the distribution network in 2010.

OVERSEAS PRESENCE

Singapore

In active operations since 1987, Singapore is the central distribution point for the hoses and fittings segment of this division. This allows the division to stamp its mark in Singapore as a key distribution location for the region. A new office was recently opened in West Singapore to better serve the customers in the marine and shipyard industry.

Thailand

Sunway Marketing (Thailand) Ltd was incorporated as far back as 1990 for the import, export and sales of hoses and fittings. There are currently 3 branches to meet customers' needs.

Indonesia

The division expanded into the Indonesian market through PT Trek Masindo in 2003. There are currently 10 branches servicing the customers. Its latest branch opened during the financial year in Batam with the principal activity of trading in hoses and fittings and hose assembly.

China

The China venture began in 2003 with its primary focus in Shanghai. The distribution network in China has been strengthened with the opening of a new office in Tianjin under the name of Sunway International Trading (Tianjin) Pte Ltd. The joint venture with Korean's Daechang Forging Co. Ltd, Sunway Daechang Forging (Anhui) Co.Ltd, has achieved good results in its first year of operations and validated the division's strategy to go upstream in the supply chain. The division also manufactures hydraulic couplings through a joint venture company named Sunway Xin Long (Anhui) Hydraulic Co. Ltd in Anhui.

Australia

Following the successful acquisition of TotalRubber Limited, an Australian-based importer and distributor of industrial rubber and plastic products, in 2008, business broke even in the first year of operations and the division subsequently recorded a profit in the financial year under review. The division has 7 branches located within Australia to reach out to its customers.

India

The division added its footprint in South Asia through the joint venture with India Opus to supply building materials to Sunway City India projects.



FP Diesel engine parts



Lonking wheel loader

Quarry





Local and foreign quarry operations

Sunway's Quarry division provides a comprehensive range of single sized and blended aggregates to meet the demands of building and construction industries and also manufactures a vast range of asphalts.

DOMESTIC PRESENCE

The division is one of the leading producers and suppliers of crushed rock aggregates and asphalts in Malaysia. Its 7 quarries and 8 asphalt plants are strategically located along potential development corridors within the country to provide a comprehensive network to enable optimal service to its customers.

OVERSEAS PRESENCE

Trinidad and Tobago

The division has been in Trinidad and Tobago since 2008, following a supply contract signed with the National Quarries Company Limited. Besides being contracted to produce and supply quarry products for the country's government projects at a fixed price, the division has potential to expand into the production of asphaltic and ready-mix concrete.

Vietnam

The division owns two quarries in Vietnam, one each in Hatay and Ho Chi Minh City. The Vietnam quarries supply high quality basalt aggregates suitable for all strengths of concrete and all components of road construction.

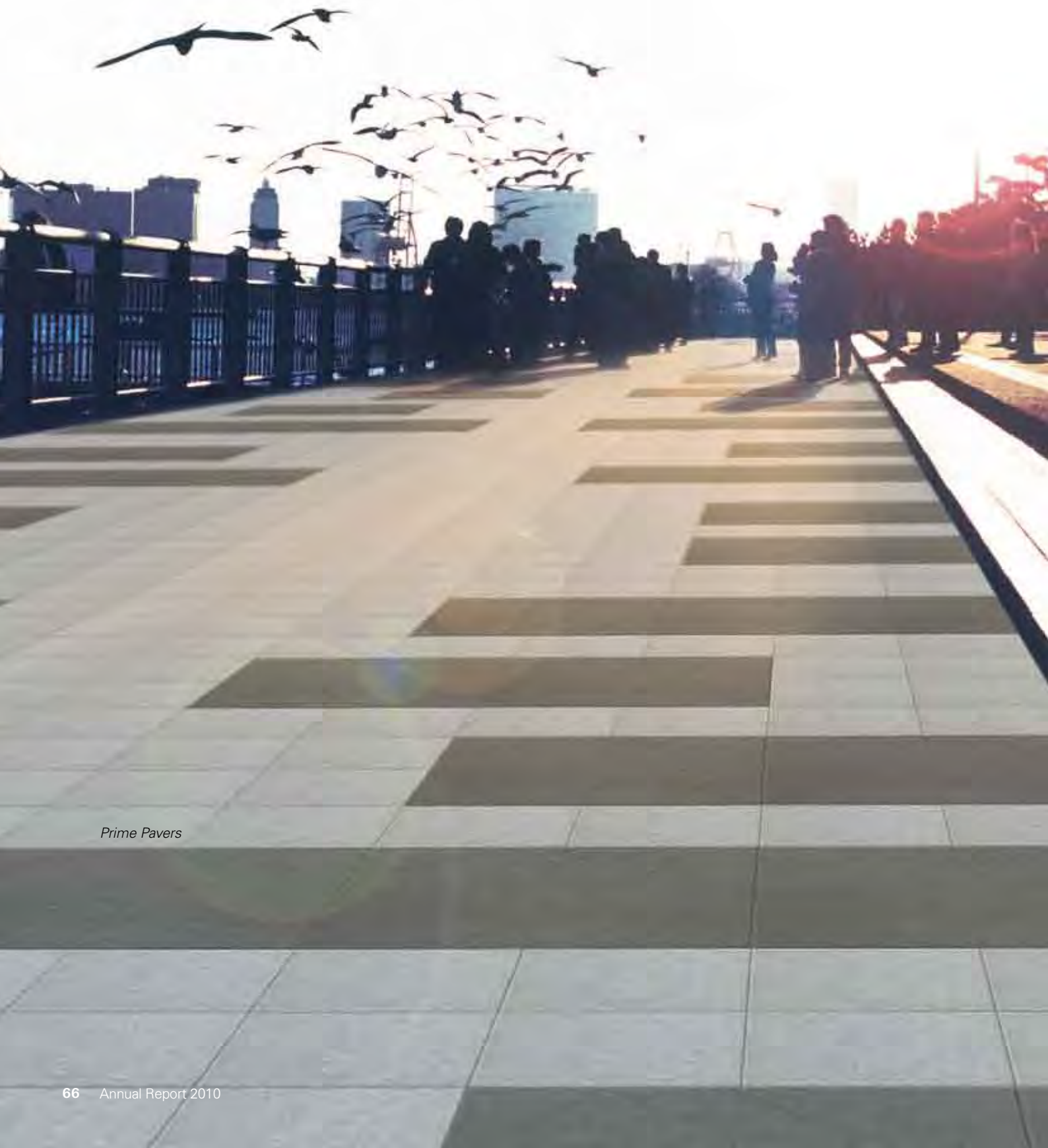
Revenue
RM179 million

Number of Quarries
10

Operating Profit
RM8 million

Number of Asphalt plants
8

Building Materials



Prime Pavers



Keystones



Prestressed High-strength Concrete (PHC) Spun Piles

The Building Materials division manufactures and supplies Interlocking Concrete Pavers (ICP), Concrete Paving Slabs (Eurotiles), Reinforced Concrete Pipes and PHC Spun Piles.

Sunway's ICP Division has almost 30 years experience in the paving industry. The division's Eurotiles are prominently featured along many of the streets and walkways throughout Malaysia, and the products are also exported regionally to Australia, Hong Kong and Singapore.

DOMESTIC PRESENCE

The division is Malaysia's largest producer of interlocking concrete pavers, with 70% market share in Malaysia and is rapidly gaining market shares in China, Australia and Singapore. Besides the existing ICP product range, the division launched its new product range which includes Blink Eurotiles and Prime Pavers in 2010. The division has also achieved Green Building Index acknowledgement in Malaysia and Green Label Certification in Singapore.

The division also manufactures and supplies Glazed Vitrified Clay Pipes and Vertical Cast Jacking Pipes. On-schedule and safe delivery are hallmarks of the division's service, and a major reassurance for contractors and developers with tight deadlines.

OVERSEAS PRESENCE

China

The division's two ICP manufacturing plants in Shanghai and Dongguan have gained market acceptance during the year, with the successful completion of the Shanghai EXPO, Asian Games and numerous government town council and port projects. The division also commenced the manufacturing of 'Keystones' and 'ArmorFlex' to be used for slope and river embankment protection for the whole of China.

The division's PHC Spun Piles manufacturing operations in Zhuhai rounded out its first year of operations with the completion of several jetty projects, including the Shenzhen government port project.

Revenue
RM116 million

Number of Manufacturing Facilities
9

Operating Loss*
RM(12) million

* The operating loss includes the provisions for impairment losses for property, plant and equipment and inventories made for its cavity wall and pipe operations.

70 Marketplace

73 Workplace

76 Environment

78 Community



The illustration features a large, stylized green tree with a thick orange trunk. A person in a grey shirt and black pants is on a ladder, using yellow-handled scissors to trim a branch of the tree. Another person in a black suit is holding a green recycling bin with a white recycling symbol. The background is a solid orange color with some green leaves floating around. The title 'CORPORATE RESPONSIBILITY' is written in large, white, sans-serif capital letters at the bottom.

CORPORATE RESPONSIBILITY



Corporate Responsibility

Corporate Responsibility (CR) is both a fundamental obligation, and a full-time commitment - and the Group accords it the same goals and accountabilities as our other businesses. The Sunway Group has taken this corporate philosophy a step further by infusing the best practices into its CR programmes.

The 4 main focal areas of Bursa Malaysia's Corporate Social Responsibility Framework - Marketplace, Workplace, Environment and Community - are the foundation pillars that support the Group's CR program.

MARKETPLACE



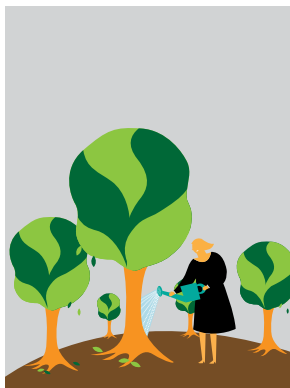
- Corporate Governance
- Stakeholder Engagement
- Procurement Policy
- Quality Certification
- Green Products

WORKPLACE



- Health and Safety
- Human Capital Development
- Work Life Balance

ENVIRONMENT



- Environmental Management System
- Environment and Waste Management
- Green IT
- Recycling Programme

COMMUNITY



- Education
- External Environment
- Healthcare
- Charity Events

1.0 MARKETPLACE

1.1 Corporate Governance

The Group commits to abide by the Malaysian Code on Corporate Governance released by the Securities Commission of Malaysia. The Group further strengthens its Corporate Governance framework with the Enterprise Risk Management structure in place. This structure is viewed as a process established by the Board of Directors and senior management for planning, organising, leading and controlling the activities of the Group. The board committees are also guided by clear terms of reference which lays the foundation for operational excellence.

This is elaborated further under the Corporate Governance Statement and the Enterprise Risk Management sections.

1.2 Stakeholder Engagement

The Group endeavours to maintain its transparent culture through many channels of communication with stakeholders.

Customers

As a step towards achieving total customer satisfaction, the Group's construction division carries out annual customer satisfaction surveys. This survey provides an avenue for clients and consultants to provide feedback on the division's products and services. During the last survey 2009-2010, the survey drew responses from 82% of our clients and consultants. The division is proud to note that 94.7% of our clients and consultants responded that they were satisfied with the division's products and services, an improvement over the previous year's score of 92%.

The feedback from our customers will be used to review and further improve on our existing systems as a step towards providing world-class products and services that meet and exceed our customers' requirements.

Suppliers

The Group's construction division in Malaysia conducts annual supplier feedback survey to gain a better understanding of supplier needs and concerns. As an organisation, proper supplier engagement is crucial for ensuring harmonious business relationship. Through constant feedback and communication with suppliers, best practices and processes can be implemented to sustain the supply chain management for win-win results.

Investors

The group ensures regular investor management is in place through its proactive Investor Relations unit and its all-rounded Investor Relations program. The Investor Relations representatives of the Group strives to provide updated information of the Group's activities and accomplishments in a timely manner through the various communication channels with analysts, investors and shareholders such as group meetings, one to one updates, road shows as well as conferences with analyst, investors and shareholders.

This is further elaborated in the Investor Relations section on page 108.

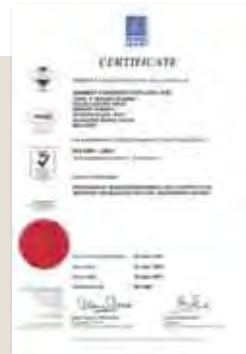
1.3 Procurement Policy

The procurement process of the Group is managed to ensure that purchased materials or services 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.

1.4 Quality Certification



*Sunway Construction's
ISO 9001 : 2008 certification*



*Sunway Paving Solutions'
ISO 9001 : 2000 certification*

The Certification

Total Quality Management (TQM) is adopted Group wide. With constant focus on total customer satisfaction, solutions are continually developed to meet and exceed clients' needs.

The Group's construction division was one of the first construction groups in Malaysia to receive the accreditation for MS ISO 9002:1994 quality standards by SIRIM back in the year 1997. This certification has since been upgraded to adhere to the new requirements adopted in the ISO 9001:2008.

To date, the following companies within the construction division have been certified with ISO 9001:

- i. Sunway Construction Sdn Bhd
- ii. Sunway Engineering Sdn Bhd
- iii. Sunway Builders Sdn Bhd
- iv. Sunway Innopave Sdn Bhd
- v. Sunway Concrete Products (S) Pte. Ltd

The other subsidiaries, Sunway Geotechnics Sdn Bhd and Sunway Machinery Sdn Bhd, are in the process of obtaining the certification.

The Group's property development division under SunwayMas Sdn Bhd was ISO 9001:2000 certified in year 2000. A scheduled migration audit of ISO 9001:2008 which will be conducted by Certification International (CI), a UK-based certification body will take place in the near future. The division enforces its Quality Policy with management's total co-operation and support to comply with the requirements of the Quality Management System.

Corporate Responsibility

All 3 manufacturing plants of Sunway Paving Solutions Sdn Bhd were ISO 9001:2000 certified in 2003. These plants located in Penang, Selangor and Johor are involved in the manufacturing of interlocking concrete pavers and compressed concrete paving slabs. The headquarters in Menara Sunway is also ISO 9001:2000 certified for its sales and marketing and provision of quality management support services.

The Group's trading division had been ISO 9001:2008 certified since 2001 for the manufacture of hydraulic couplings under its own brand name - SunFlex.

The Culture

The Group's construction division was the first Malaysian construction conglomerate to implement the Japanese concept of "kaizen" enterprise-wide. Continuous quality improvement initiatives implemented has resulted in waste reduction and significant workforce productivity enhancement. These initiatives include:

Kaizen Initiative

A. Kaizen Site Walk

Kaizen Site Walk is led by the senior management where scheduled visit are carried out from head office and other projects to observe the status of quality implementation of selected trades. The presence of senior management to drive the Kaizen Site Walk has not only accelerated the knowledge sharing but also leading by example on their unfailing commitment towards continual improvement. During the session, participants would exchange views and share respective experiences in handling quality and project management issues.

B. Small Group Activity

Throughout these years, the Group's construction division has delivered excellent quality products through untiring efforts in enforcing Small Group Activities (SGA), Construction Quality Assessment System (CONQUAS), the 5S philosophy which focuses on effective workplace organisation and standardised work procedures, and Quality Conformance Awareness Training (QCAT). To grow from strength to strength, the construction division has consolidated experiences and knowledge captured from its various efforts to enrich its 13 SGA's training materials with the aim to continuously exceed clients' expectations and eliminating wastage.

Members from cross-functional areas were grouped to study, analyse and brainstorm the root causes of certain quality problems of the relevant trades and proposed preventive actions to prevent occurrences. This valuable knowledge on the best practices for respective trades is shared among operations staff and relevant subcontractors.



QCAT Training Material

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

1.5 Green Products

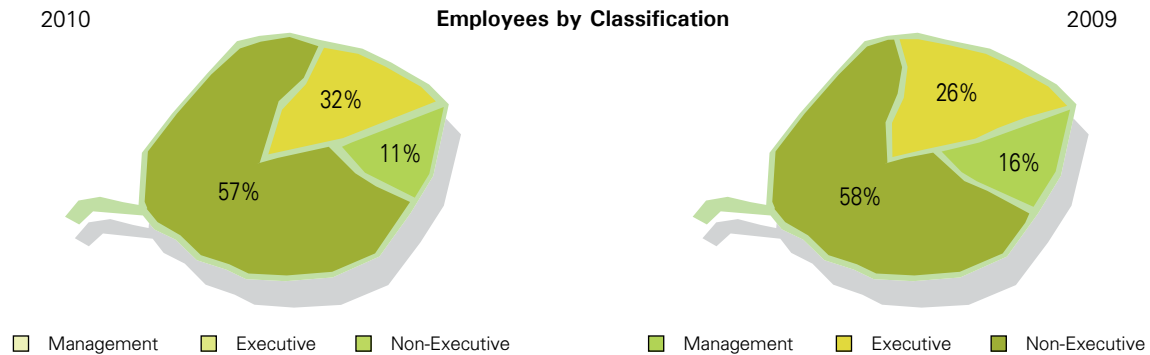
Three of the products supplied by the Group's building materials division - interlocking concrete pavers, compressed concrete paving slabs and cavite light weight concrete panel was conferred the Green Label Certification by The Singapore Environment Council. This recognises the division's efforts in producing environmentally friendly products with a minimum usage of 20% recycled content.



Interlocking Concrete Pavers'
Singapore Green Label Certification

2.0 WORKPLACE

The belief in human capital development is deeply embedded within the organisational fabric of the Sunway Group, where all employees are treated as the Group's biggest source of success, resilience, growth and inspiration.



2.1 Health and Safety

The Group places vital emphasis on the health and safety in its workplace. Its 4 level Occupational Health and Safety Management System (OHSAS) which is of comprehensive coverage and implementation applies to all employees of the Group. In 2001, the construction division obtained the OHSAS 18001:1999 accreditation in 2001 which was subsequently upgraded to OHSAS 18001:2007.



OHSAS 18001:2007

Specific to the Group's construction division in Malaysia, 3 Occupational Safety and Health (OSH) company-wide objectives have been set up, guided by the Quality Environment Safety and Health policy which includes:

- To achieve 2.5 million man-hours without loss time accident company wide
- To achieve a monthly inspection score of 70% and above
- To strive towards a zero life loss at all work sites.

The Group's construction division in Malaysia during the period under review has successfully recorded a total of 7.6 million man-hours without loss time accidents and an average inspection score of 85%.

Initiatives to promote Environment, Safety and Health (ESH) awareness include:

ESH Training and Awareness

ESH training and development programmes are constantly carried out to raise the level of ESH awareness and knowledge of employees and subcontractors. This forms the foundation of creating a ESH culture in the Group. Examples of programmes are the Site Safety Supervisors (SSS) Training, Scaffold Awareness Training, First Aid Training and Environmental Awareness Training.

Standardisation of Safety Features

One of the key investments to continuously improve current practices is the standardisation of jobsite safety features at all of the construction project sites. Among the standardised safety features that were implemented include edge protection, climbing safety enclosures, canopy walkways and safety signboards. These are efforts at hazard controls to prevent falls and falling objects at jobsites.

2.2 Human Capital Development

The Group has implemented a holistic human capital development approach which encompasses the identification (external and internal), development and retention of its competent human capital. Strong leadership in the organisation is pivotal to drive the human capital development approach. This approach is delivered through the Group's recruitment strategy, performance management process, talent management, succession planning, and learning and development.

Corporate Responsibility



Sunway Annual Managers' Conference

Recruitment Strategy

The Group's recruitment strategy is two-fold i.e. by external recruitment and simultaneously by providing career opportunities to existing employees via internal sourcing i.e. promotions, transfers, etc. The Group's participation in career fairs, internship programmes and job shadowing initiatives are amongst the various avenues to promote the brand externally. From within, a rigorous process of identifying and developing potential existing employees creates the pool of internal candidates to fill vacancies across the Group.

The Group adopts a more focused effort to bring in young talents through its Institute of Chartered Accountants in England & Wales (ICAEW) and Association of Chartered Certified Accountants (ACCA) trainee programmes. The Group's management/graduate trainee programmes i.e. Sunway Managerial Advancement for Recruited Talents (SMART) recruits, trains and retains young graduates of excellent academic results and track record of leadership capabilities into the organisation. The Group was appointed as an Approved Training Organisation and accorded the Authorised Training Employer (ATE) status by ICAEW. With this, the Group offers a rewarding career to aspiring accountants and finance professionals.

The Employee Referral Programme is another channel of reaching out to potential employees. Through this programme, certain rewards are given to employees who refer and recommend potential candidates to join the Group. Through word of mouth and making our employees as our own ambassadors, the Group is known to others as a great place to work. The programmes value lies in the ability to not only attract good job applicants but also show goodwill and commitment to the employee making the referral.

Managing for Excellence (MFE)

One of the Group's core values is "excellence". The MFE process i.e. a home grown performance management process sets the platform for driving excellence in performance of all employees.

Using MFE, performance expectations are agreed and the managers are responsible to move the performance bar continuously, thereby ensuring standards are raised to move the Group forward. Managers are trained to provide coaching and feedback to engage employees to deliver their best. The performance management derives performance rating that is used for reward and recognition, promotion, talent development, succession planning, etc.

Talent Management and Succession Planning

By reviewing employees' leadership and performance contribution, the Group has a more focused approach in managing the different types of talent in the organisation. The Annual Talent Review assists



Employees' team building



Sunway Family Day

the Group to have a better perspective of its bench strength by individual business units, functional areas, etc. There is a structured process in place for succession planning across the Group which is conducted along with the annual talent review.

Learning and Development

Sizeable investments are put in to develop employees in areas of technical, soft and leadership skills. Development of human capital is not done just through training but through a blended learning approach which include learning by doing, reading, coaching, mentoring, etc. In line with the nation call to cultivate a reading habit, the Group Human Resource (GHR) Resource Center aims to do the same by offering books, CDs, DVDs and magazines of various subjects to employees.

A total of 93,000 training hours was invested from January 2010 to December 2010. Approximately 5,800 employees completed at least 16 hours of training during the said period.

One new initiative during the period was to partner with Sunway University College and its highly reputable partner, Lancaster University Management School, to design and deliver locally a high-class management programme to managers to hone their management skills.

The Mentoring Programme is targeted at high potential and identified successors to develop them further through transfer of tacit knowledge and experience by more experienced senior management team members.

Coaching Culture and Communication

The Group espouses strongly the importance of coaching to communicate and engage with our workforce. All Sunway managers are required to coach and engage with their employees be it to give direction, good and bad feedback or to praise and recognise. Managers and executives with direct reports are trained with coaching skills to embrace a coaching leadership style with their direct reports.

Whilst coaching takes on a more direct engagement and communication with employees, other means of communication are also essential to feed the information channel within the Group. The Group's array of established and proven communication platforms and tools include Town-hall meetings, Managers' Conferences, e-bulletins, Sunway Portal, plasma insertions, short messaging services (SMS), Hang Loose Nites, etc.

2.3 Work Life Balance

The Group believes that sports and social activities foster closer ties amongst employees thus enabling better rapport and work quality. This led to the formation of the Group's sports club, "Kelab Sukan Sunway".

Activities made possible through Kelab Sukan Sunway include informative events like lunch talks featuring health and social topics, recreational programmes that allows employees to let their hair down such as sports tournaments, local and overseas vacation trips, car treasure hunts, informal get togethers through the company's Family Day, Annual Dinner and Dance nights and festive charity events.

Corporate Responsibility

3.0 ENVIRONMENT

The Group is committed to being a sustainable organisation, balancing economic, social and environmental goals while also protecting the needs of future generations.

3.1 Environmental Management System

The Group's construction division has documented an Environmental Management System which provides foundation elements for effective management and implementation of environmental practices. Trainings for various levels of staff and subcontractors were carried out throughout the year to educate and create further awareness on environmental responsibilities.

The Group was accredited ISO 14001 Environmental Management System for Sunway Construction Sdn Bhd. This is an internationally recognised standard for the establishment of an organisation's environmental management system. This accreditation further emphasises its commitment to environment in its business.

Since then, the construction division has also become the pioneer builder in Malaysia to have the Building and Construction Authority of Singapore (BCA) Green Mark Managers and Leadership in Energy and Environment Design (LEED) accredited professionals as part of its team. LEED is the internationally accepted benchmark for construction companies to use in the design, construction and operation of high performance green buildings.

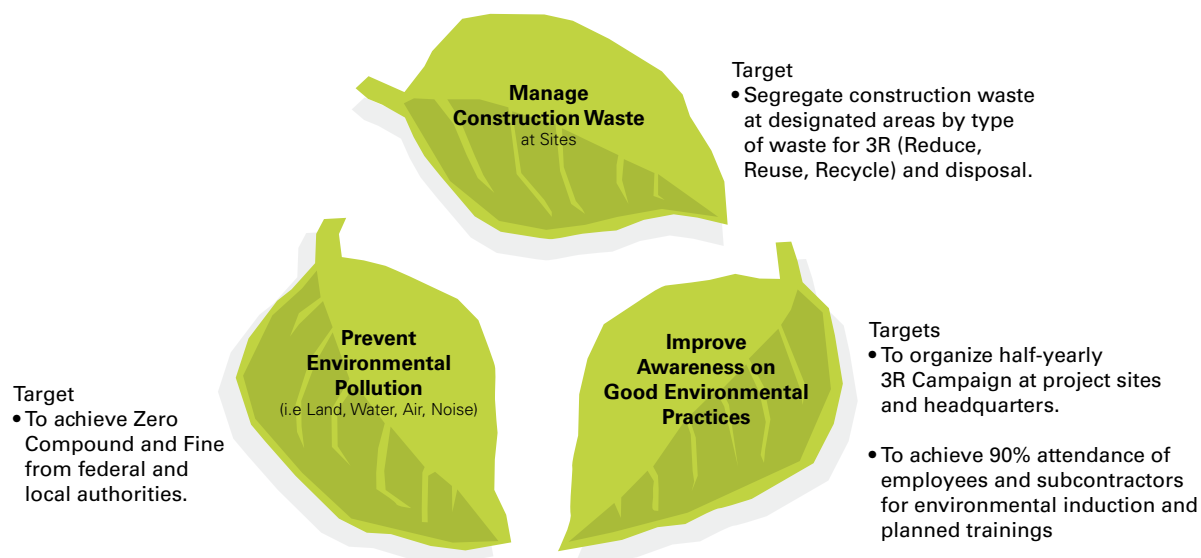


*Sunway Construction's
ISO 14001 certification*

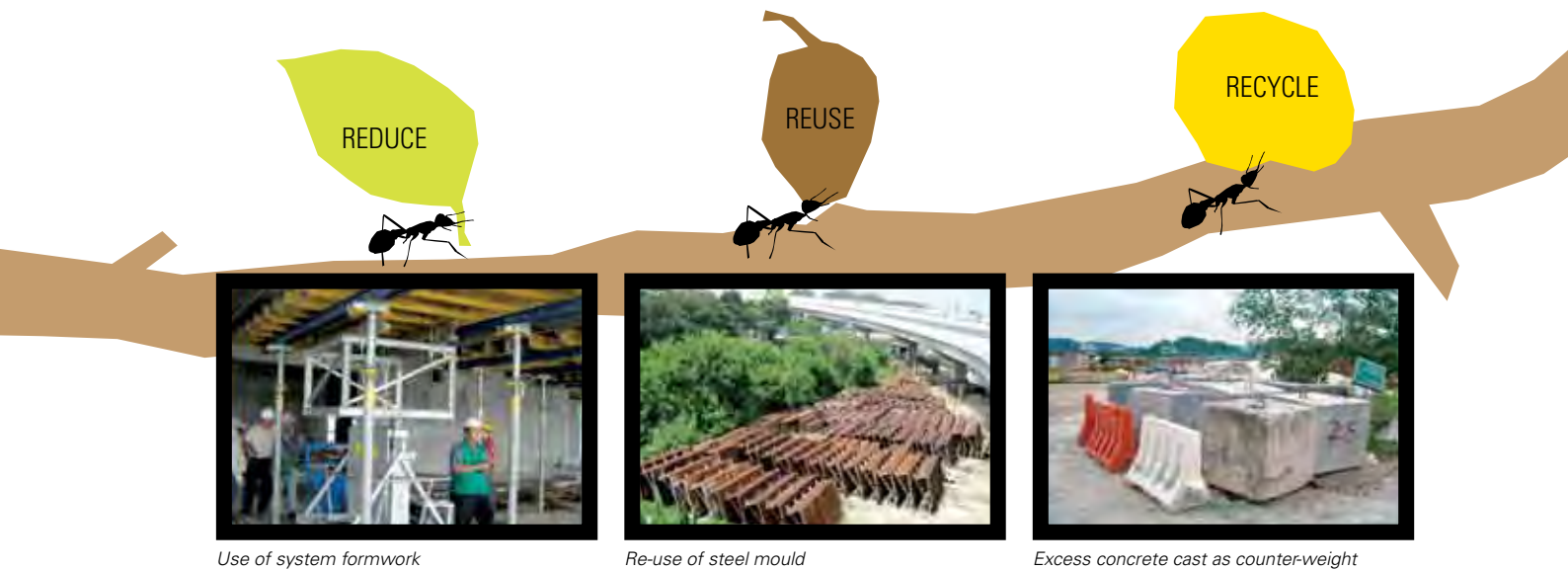
3.2 Environment and Waste Management

Initiatives were identified and embarked on to achieve 3 core objectives towards better environmental management under the construction division.

Environmental Management Objectives and Targets



Construction Waste Management



3.3 Green IT

As the world's accelerating concerns over climate change and the sustainability of Planet Earth has placed a spotlight on businesses and social circles to reduce carbon footprints, the Group aims to make all IT aspects (operational, services and systems configurations) support low energy consumption and a paper-less environment.

3.4 Recycling Programme

The Sunway Group is dedicated in promoting a sustainable green environment for our future generations of human capital. Its recycling programme has 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 500,000 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.

	Objective	Initiatives	Potential savings
1	Reduce paper consumption	<ul style="list-style-type: none"> Usage of e-forms to replace physical forms Use of e-Fax, electronically approved purchase orders are automatically faxed to suppliers Replacement of traditional printers with duplex printers 	<ul style="list-style-type: none"> Paperless operations Reduce 4000 papers per month Reduce paper usage with double sided printing
2	Reduce power usage	<ul style="list-style-type: none"> Replace cathode ray tube (CRT) monitors with LCD Monitors Reduction in number of servers through virtualisation Set Power save mode for desktops and notebooks Adoption of web conferencing solutions through audio and video conferencing Purchase energy saving equipment 	<ul style="list-style-type: none"> 56% reduction in power usage Reduce from 8 servers to 1 server Reduce unnecessary power usage Reduce the need to travel regularly

Corporate Responsibility



National Kidney Foundation Charity event



Job training programme

4.0 COMMUNITY

It has always been the Group's philosophy to continuously support the local communities wherever it operates. The Group has since the early days of its operations been giving back to the society by reaching out to the needy.

Sunway Group's CR efforts were further acknowledged when the Group won two of the most prestigious awards at the PM's CSR Award, one for the overall win and the other for Education in November 2010. In early 2011, the Group added another feather to its cap when it clinched the NST's Corporate Nationhood Initiatives Award for its Corporate Responsibility initiatives.

4.1 Education

Jeffrey Cheah Foundation for Education

The Sunway Education Trust Fund has been converted into the Jeffrey Cheah Foundation for Education in March 2010. The ownership and equity rights of four of its learning institutions - Sunway University, Monash University Sunway campus, Jeffrey Cheah School of Medicine and Sunway International School has been officially and legally transferred to the Foundation for future safe governance by a Board of Trustees.

It deploys funds solely for the benefit of students through reinvestment into expansion of facilities, enhancement of research capabilities, and most notably, fund scholarship to deserving and needy students.

Job Training Programme

The Sunway Group also runs a Job Training Programme endorsed by the Ministry of Education, Malaysia. Special needs students from the Sunway-sponsored SMK Bandar Sunway are trained on basic work-related skills and ethics. Upon graduation, these students are presented with certificates of accomplishment to seek employment, where they are able to progress as independent members of society's workforce. Selected students are also employed in various Sunway subsidiaries. The training programme is on its 6th year as of 2011 and 60% of graduated students have been fully employed by organisations including Sunway.

NST Read the English Newspaper

To bridge the urban-rural divide with regards to the English-language acquisition, information access and skills development, the Sunway Group sponsors complimentary copies of the News Straits Times to seven schools :

- Sekolah Kebangsaan Convent Klang
- SMK Bandar Sunway
- SRK Bandar Sunway
- SJK (C) Chee Wen, Subang
- SMJK Yuk Choy, Ipoh
- SJK (C) Gunung Hijau, Pusing, Batu Gajah, Perak
- SMK Tambun, Ipoh



Sunway free shuttle bus service



"Peter Pan The Musical" for the underprivileged

4.2 External Environment

Free shuttle bus

As part of its commitment to the residents of Bandar Sunway, two free shuttle buses have been introduced to improve passenger service and satisfaction within the community. This also promotes the use of public transportation, in the interest of reducing air pollution. Currently more than 300 people utilise this service daily, 70% of which are students. More than RM1 million has been invested to set-up this service which is also aimed at senior citizens and mothers.

Greening and Walkability

The Sunway Group has effectively landscaped Bandar Sunway with green belts, promoting walkability through well-planned walkways and jogging tracks, encouraging citizens to lead healthy lifestyles, while decreasing vehicular air pollution.

4.3 Healthcare

National Kidney Foundation

The Sunway Group works annually to benefit the National Kidney Foundation through raising funds for NKF LifeCheck Mobile Health Screening Units that are designed to carry out health screenings throughout Malaysia especially targeting rural areas and the underprivileged community.

Malaysian Liver Foundation

The Sunway Group works hand in hand with Malaysia Liver Foundation (MLF) to create awareness. Sunway assists to raise funds by holding charity concerts and events for the organisation.

4.4 Charity Events

The Sunway Group has always been a grand advocate for the underprivileged. The Group holds annual events such as festive events, special day outs at the theme park and shopping mall for various children from numerous charity homes.

This year, the Sunway Group hosted the 13th Annual Kiwanis Children's Party at the theme park with about 550 children and minders together with more than 100 Kiwanis members. The Jeffrey Cheah Foundation also treated 2,500 underprivileged children from welfare homes within the Klang Valley to "Peter Pan The Musical", a West End London production during the year.



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TEGRITY

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 8 members, 3 or 1/3 are Independent Non-Executive Directors. The Board composition reflects a balance of Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals in the fields of accountancy, 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 48 to 53 of the Annual Report.

MEETINGS AND SUPPLY OF INFORMATION

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

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

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

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

The Board met 8 times during the financial year ended 31 December 2010 and the details of attendance of the Directors are as follows:-

Name of Directors	Number of Meetings Attended	Percentage of Attendance (%)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	6/8	75
Dato' Chew Chee Kin	8/8	100
Dato' Yau Kok Seng	8/8	100
Dato' Tan Kia Loke	7/8	88
Kwan Foh Kwai	7/8	88
Wong Chin Mun	7/8	88
Datuk Low Seng Kuan	7/8	88
Datuk Abdul Malek Bin Abdul Aziz	8/8	100

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, procurement and construction industries.

Training Programmes, Seminars and Workshops attended by Directors

Name of Directors	Course Title / Organiser	Date
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	Sunway Managers' Conference 2010 - "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
Dato' Chew Chee Kin	Sunway Managers' Conference 2010 - "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
Dato' Yau Kok Seng	Sunway Managers' Conference 2010 - "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
Dato' Tan Kia Loke	Strategies to Promote Private Sector Investment in the Construction Sector under the 10th Malaysia Plan (2011-2015)* (Prime Minister's Department – Economic Planning Unit)	28 January 2010
	Sunway Managers' Conference 2010 - "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
	Competition Act 2010 (Sunway Group)	27 October 2010

Corporate Governance Statement

Name of Directors	Course Title / Organiser	Date
Kwan Foh Kwai	Sunway Managers' Conference 2010 - "Navigating the Changing Landscape" (Sunway Group)	22 May 2010
Wong Chin Mun	Future Factors by Dr Pero Micic (Future Management Group AG & Future Management Group SEA)	15 & 16 June 2010
	Economic Outlook of Malaysia and its Impact on Businesses (Vistage Malaysia Sdn Bhd)	7 July 2010
	Luncheon Talk - Enhancing Financial Reporting Ecosystem in Malaysia (CPA Australia)	12 July 2010
Datuk Low Seng Kuan	National Procurement Guidelines Forum - Understanding the Integrity Pact and the Do's and Don'ts of Government Procurement* (Malaysian Institute of Corporate Governance)	22 July 2010
	The 14th IACC Conference (The Royal Thai Government, Ministry of Justice, Office of the National Anti-Corruption Commission, Transparency International, Transparency Thailand and the International Anti-Corruption Conference Council)	10, 12 & 13 November 2010
	UN Anti-Corruption Date (Transparency International, Malaysia)	6 December 2010
Datuk Abdul Malek Bin Abdul Aziz	Promoting the Corporate Governance Agenda - Raising the Bar (Minority Shareholder Watchdog Group)	25 March 2010

* Attendance as Speaker at the Conference 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 is subject to retirement by rotation at each Annual General Meeting. Each Director shall retire at least once every 3 years but shall be eligible for re-election. The Directors to retire in each year are those who have been longest in office since their last election or appointment.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are of or over the age of 70 years shall retire at every Annual General Meeting of the Company and subject to approval being obtained from the shareholders, may offer themselves for re-appointment to hold office until the next Annual General Meeting in accordance with Section 129(6) of the Companies Act, 1965. Datuk 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 and re-appointment are disclosed in this Annual Report.

BOARD COMMITTEES

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

1. Audit Committee

The Audit Committee comprising 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 96 to 100 of the Annual Report.

2. Management Committee

The Management Committee comprises Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Chairman, Dato' Chew Chee Kin, Dato' Tan Kia Loke, Dato' Yau Kok Seng, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Ng Lai Ping. 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 89 of the Annual Report.

3. Nomination Committee

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

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 90 of the Annual Report.

During the financial year, 2 meetings were held for the following purposes:-

- (a) to endorse the re-election of Directors retiring by rotation at the Company's Annual General Meetings, subject to the approval of shareholders;
- (b) to endorse the re-appointment of Datuk Abdul Malek Bin Abdul Aziz who is over the age of 70 years, as a Director of the Company pursuant to Section 129 of the Companies Act, 1965 subject to the approval of shareholders at the Company's Annual General Meetings and at the Nomination Committee Meeting, Datuk Abdul Malek Bin Abdul Aziz abstained from deliberating and voting on his re-appointment; and
- (c) to consider the appointment of Evan Cheah Yean Shin as a member of the Risk Management and Strategic Direction Committees.

4. Remuneration Committee

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

The Remuneration Committee recommends to the Board the proposed remuneration for Directors and the renewal of the terms of Employment Contracts for Executive Directors, with the aim of ensuring that the Company attracts and retains the Directors needed to run the Group successfully. The terms of reference of the Remuneration Committee are set out on page 91 of the Annual Report.

During the financial year, 2 meetings were held for the following purposes:-

- (a) to evaluate the performance of the Executive Directors and to endorse their annual increments and bonuses; and
- (b) to consider the renewal of Employment Contract for the President.

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

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

The ESOS Committee comprising Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling as Chairman, Dato' Chew Chee Kin, Dato' Tan Kia Loke and Dato' 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 92 and 93 of the Annual Report.

During the financial year, 3 meetings were held to consider and approve the applications made by employees to continue holding their options upon attaining retirement and due to transfer to a company which is outside the Group.

6. Risk Management Committee ("RMC")

The RMC comprises Dato' Yau Kok Seng as Chairman, Kwan Foh Kwai, Wong Fook Chai, Ng Boon Liang, Leong Kai Hong, Yap Chin Leong, Teh Quen Chang, Ng Eng Lee, Lim Hin Soon, Ng Lai Ping and Evan Cheah Yean Shin.

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 94 of the Annual Report.

Corporate Governance Statement

During the financial year, 4 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.

7. Strategic Direction Committee ("SDC")

The SDC comprises Dato' Chew Chee Kin as Chairman, Dato' Tan Kia Loke, Dato' Yau Kok Seng, Kwan Foh Kwai, Wong Fook Chai, Ng Boon Liang, Leong Kai Hong, Yap Chin Leong, Teh Quen Chang, Lim Hin Soon, Ng Lai Ping and Evan Cheah Yean Shin.

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 95 of the Annual Report.

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

- (a) to discuss on a policy in regards to minority shareholders;
- (b) to discuss on other forms of incentives for employees who are shareholders in the Company's subsidiaries;
- (c) to discuss on each division's business strategies in view of the global economic recovery;
- (d) to note the progress achieved by the Synergy Sub-Committee in achieving synergy within the Group; and
- (e) to discuss on each division's 3-year strategies to grow the business.

B. DIRECTORS' REMUNERATION

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

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

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

	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Fees	-	108	108
Other Emoluments	-	137	137
Salaries and other Remuneration	2,706	1,572	4,278
Bonus	1,505	784	2,289
Benefits-in-kind	96	95	191
Total:	4,307	2,696	7,003

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

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
Below RM100,000	-	3	3
RM1,000,001 to RM1,050,000	1	-	1
RM1,050,001 to RM1,100,000	-	1	1
RM1,200,001 to RM1,250,000	1	-	1
RM1,350,001 to RM1,400,000	-	1	1
RM2,050,001 to RM2,100,000	1	-	1
Total:	3	5*	8

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

[Note: The details of Directors' Remuneration of individual directors are not shown for security and confidentiality reasons.]

The details of the Directors' options over ordinary shares pursuant to the Company's ESOS for the financial year ended 31 December 2010 are set out on page 114 of the Annual Report.

C. SHAREHOLDERS

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

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

During the financial year, the Company had conducted 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 **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.

INVESTOR RELATIONS SERVICE

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

1. Ms Ng Lai Ping
Chief Financial Officer
Tel No : (603) 5639 8998
Fax No : (603) 5639 9566
Email : nglp@sunway.com.my
2. Ms Trixy Chua
Senior Manager - Group Finance
Tel No : (603) 5639 8663
Fax No : (603) 5639 9566
Email : trixyc@sunway.com.my

Corporate Governance Statement

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 101 and 102 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 96 to 100 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 19 April 2011.



Tan Sri Dato' Seri Dr Jeffrey 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.
- (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.

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.
- (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.

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:

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:-

- (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.
- (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.

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.

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 held 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 31 December 2010 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)

MEETINGS AND ATTENDANCE

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

Name of Committee Member	Number of Meetings Attended
Wong Chin Mun	6/6
Datuk Low Seng Kuan	5/6
Datuk Abdul Malek Bin Abdul Aziz	6/6

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

TERMS OF REFERENCE

1. Membership

- 1.1 The Committee shall be appointed by the Board of Directors from amongst the Directors of the Company and shall consist of not less than 3 members.
- 1.2 All members of the Committee must be non-executive Directors, a majority of whom are Independent Directors as defined in Chapter 1 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

- 1.3 The members of the Committee should be financially literate and shall include at least 1 person:-

- (a) who is a member of the Malaysian Institute of Accountants; or
- (b) who must have at least 3 years' working experience and:-
 - (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.

- 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;

Audit Committee Report

- (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.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee for the financial year ended 31 December 2010 included the following:-

- (a) Reviewed the adequacy and relevance of the scope, functions, resources, risk based internal audit plan and results of the internal audit processes with the Internal Audit Department.
- (b) Reviewed the audit activities carried out by the Internal Audit Department and the audit reports to ensure corrective actions were taken in addressing the risk issues reported.
- (c) Reviewed with the assistance of the Internal Audit Department and management, the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.
- (d) Reviewed with the External Auditors, the audit plan of the Company and of the Group for the year (inclusive of risk and audit approach, system evaluation, audit fees, issues raised and management responses) prior to the commencement of the annual audit.
- (e) Reviewed the extent of assistance rendered by management and issues and reservations arising from audits with the External Auditors without the presence of management staff and the executive board 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 with management and the External Auditors for recommendation to the Board of Directors for approval and release to Bursa Securities.
- (i) Reviewed all recurrent related party transactions entered into by the Company and the Group at the Committee's quarterly meetings to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- (j) Reviewed and approved the Circular to Shareholders in respect of the proposed shareholders' mandate for recurrent related party transactions and the proposed authority for the purchase of own shares by the Company as well as the statements by the Audit Committee in respect of the proposed shareholders' mandate for recurrent related party transactions.
- (k) Reviewed and endorsed all related party transactions entered into by the Group as well as the statements by the Audit Committee in respect of these related party transactions in the announcement to Bursa Securities and Circular to Shareholders.
- (l) 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.
- (m) Discussed the implications of any latest changes and pronouncements on the Company and the Group, issued by the statutory and regulatory bodies.
- (n) 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.
- (o) Reviewed and approved the Audit Committee Report for inclusion in the Company's 2009 Annual Report.
- (p) Reviewed the disclosure statements on compliance of the Malaysian Code on Corporate Governance and the state on internal controls as well as the Directors' Responsibility Statement on the annual audited financial statements and other disclosures for inclusion in the Company's 2009 Annual Report.
- (q) Reviewed and approved the framework on key governance practices.
- (r) Reviewed and approved the Anti-Bribery Policy to be introduced in the Group.

Audit Committee Report

AUDIT COMMITTEE'S TRAINING

The details of training programmes and seminars attended by each Committee Member during the financial year ended 31 December 2010 are set out in the Corporate Governance Statement under "Directors' Training".

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function is performed in-house and undertaken by the Group's Internal Audit Department. During the financial year ended 31 December 2010, the Internal Audit Department carried out the following activities:-

- (a) Prepared the annual audit plan for the approval of the Audit Committee.
- (b) Regularly performed risk based audits on strategic business units of the Company and of the Group, which covered reviews of the internal control system, accounting and management information system and risk management.
- (c) Issued audit reports to the Committee and management identifying weaknesses and issues as well as highlighting recommendations for improvements.
- (d) Acted on suggestions made by the Committee and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.
- (e) Followed up on management corrective actions on audit issues raised by the External Auditors.
- (f) Reported to the Committee on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- (g) Reviewed on the appropriateness of the disclosure statements in regard to compliance with the Malaysian Code on Corporate Governance and the state on internal controls as well as the Audit Committee Report.
- (h) Attended the Committee's meetings to table and discuss the audit reports and followed up on matters raised.
- (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 31 December 2010 amounted to RM1,032,657.

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 15.26 of the Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

THE BOARD'S RESPONSIBILITY

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

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

The Group 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 associates and jointly controlled entities, the management of those companies manages the systems of internal controls. The Statement therefore does not cover these associates and jointly controlled entities.

THE GROUP'S SYSTEM OF INTERNAL CONTROL

Monitoring Mechanisms and Management Style

Scheduled periodic 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 heads of the respective operating subsidiaries and departments 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 103 to 105 of the Annual Report.

Statement on Internal Control

Key Elements of the Group's System of Internal Control

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

- Clear Group vision, mission, corporate philosophy and strategic direction which are communicated to employees at all levels.
- The Board which retains control over the Group with appropriate management reporting mechanisms which enable the Board to review the Group's progress.
- Board approved annual budgets and management plans prepared by each operating subsidiary during the Business Plan exercise to consider the relevant strengths, weaknesses, opportunities and threats including competitor, market and broader environmental analysis.
- 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 certifications.
- An internal audit function which carries out internal audits based on an annual risk-based audit plan approved by the Audit Committee ("AC").

Assurance Mechanisms

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

Based on these audits, the GIAD provides the AC with periodic reports highlighting observations, recommendations and management action plans to improve the system of internal control. In addition, the AC also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group. There was no major internal control weakness 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 the audits are reported to the Quality Management Committee and Occupational Safety and Health Committee respectively.

The AC Report is set out on pages 96 to 100 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 19 April 2011.



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

Enterprise Risk Management

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

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

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

Integrated:

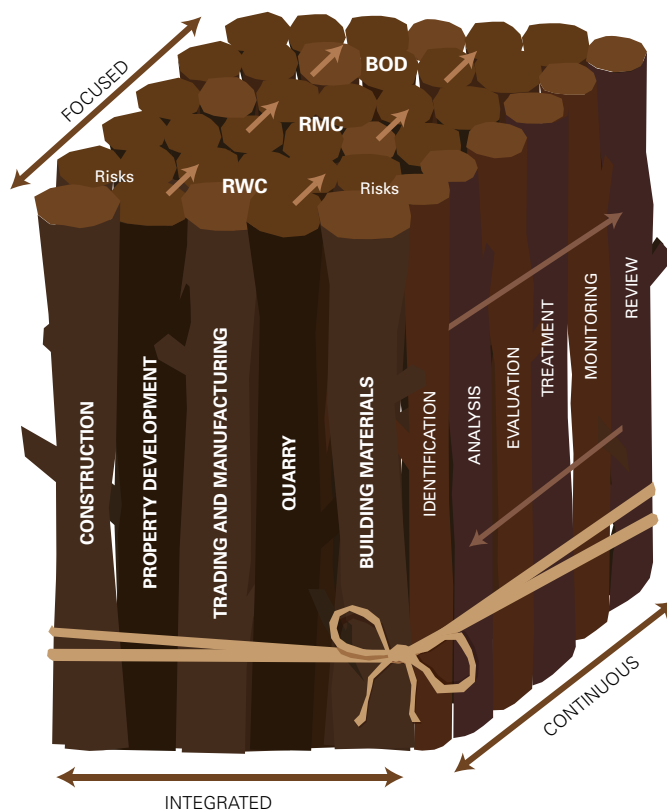
The ERM process has been integrated into the culture of Sunway and also into the policies and procedures implemented within the Group. This integrated approach allows a holistic view of the Group's risks and enables an alignment of risks of various businesses to the strategic objectives of the Group.

Focused:

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

Continuous:

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



Enterprise Risk Management

RISK MANAGEMENT FRAMEWORK AND PROCESS

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

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

1. Risk Framework:

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

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

2. Risk Appetite:

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

3. Risk Management Process:

This basically involves:-

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

RISK MANAGEMENT STRUCTURE

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

Risk Working Committee ("RWC")

At Sunway, the key management staff and heads of department are delegated the responsibility to identify and manage risks within defined parameters and standards through the RWC.

The RWC identifies the risks which fall within its areas of responsibility and the possible impacts these may have. The RWC is also responsible to ensure performance indicators and mitigation plans are identified which would allow them to monitor and reduce the impact of these risks on their key businesses and financial activities.

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

Risk Management Committee ("RMC")

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

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

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

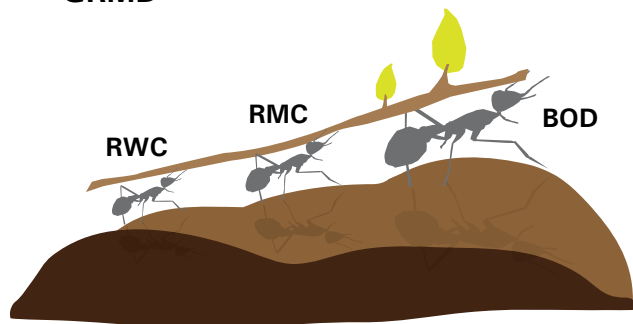
Board of Directors ("BOD")

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

Group Risk Management Division ("GRMD")

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

GRMD



KEY RISK FACTORS

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

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

- External
- Regulatory
- Legal
- Corporate Governance
- Financial
- Customers
- Products and Services
- Suppliers
- Human Capital
- Operations

Key Risks during the financial year ended 31 December 2010

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

1. Strategic Risks

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

2. Country Risks

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

3. Financial Risks

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

Additional Compliance Information

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

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company had on 21 September 2010, made an announcement on its proposal to issue commercial papers and/or medium term notes ("CP/MTN Programme") of up to RM500 million in nominal value pursuant to a CP/MTN Programme. On 15 November 2010, the Company had issued a total of RM85 million nominal value medium term notes.

The proceeds raised from the CP/MTN Programme were utilised to repay existing bank borrowings and defray the expenses incurred in relation to the CP/MTN Programme.

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

During the financial year ended 31 December 2010, a total of 5,847,250 options over ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme ("ESOS") and a total of 44,247 warrants were exercised pursuant to the Company's Warrants 2009/2014.

The Company did not issue any new convertible securities during the financial year.

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

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

4. SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 31 December 2010.

5. NON-AUDIT FEES

The non-audit fees paid/payable to the External Auditors of the Company and its subsidiaries for the financial year ended 31 December 2010 amounted to RM4,000.

6. VARIATION IN RESULTS

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

7. PROFIT GUARANTEE

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

8. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2010:-

Second Supplemental Agreement dated 9 June 2010 between Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited, both subsidiaries of the Company with SunCity Vietnam Sdn Bhd, a wholly-owned subsidiary of Sunway City Berhad for the purpose of amending, varying and supplementing the Sale and Purchase Agreement dated 9 June 2009 for the extension of the conditions fulfillment period for another 2 months to expire on 9 August 2010.

Relationship of Related Parties

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

Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng and Sarena Cheah Yean Tih, being the spouse and child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling respectively, are Major Shareholders of the Company and SunCity. They have deemed interests in Sunway Holdings (Vietnam) Sdn Bhd and Sunway Property (China) Limited via the Company. They also have deemed interests in SunCity Vietnam Sdn Bhd via SunCity.

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

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

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 ALLOCATION OF OPTIONS OVER ORDINARY SHARES PURSUANT TO THE COMPANY'S ESOS

There was no new allocation of options over ordinary shares pursuant to the Company's ESOS during the financial year ended 31 December 2010.

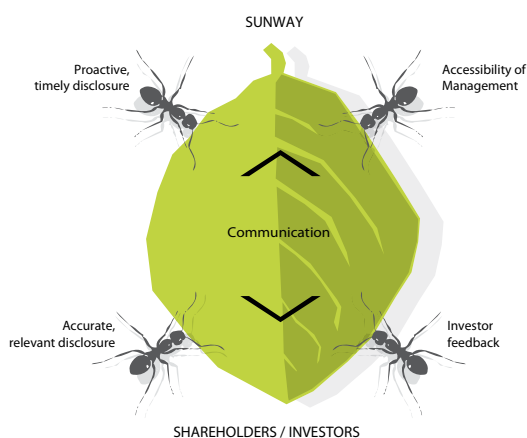
11. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year ended 31 December 2010. None of the treasury shares held were resold or cancelled during the financial year.

Investor Relations

TRANSPARENCY AND ACCOUNTABILITY TO ENHANCE CREDIBILITY

Sunway aims to provide clear, comprehensive and timely information within regulatory guidelines to assist investors and the public in making informed investment decisions. Investors and the public are then able to better understand the fundamental facts of Sunway as new developments and financial results are communicated.



INVESTOR RELATIONS PROGRAMME

Communication channels employed by Sunway include:-

Electronic Media

Sunway keeps its investors, analysts, fund managers and the public informed through timely announcements and disclosures made to Bursa Malaysia Securities Berhad. Sunway continues to enhance its Investor Relations website, linked to its corporate website, www.sunway.com.my, to further intensify the effectiveness of Sunway's communication and dissemination of clear and comprehensive information to investors and the public.

Printed Materials

The Annual Report is also a key source of information to ensure that investors are informed of the Company's performance for the year.

Oral Communication

During the year, Sunway conducted several one-on-one and group meetings with local and foreign investors. Sunway also participated in several forums and roadshows, both locally and abroad.



Sharing a light moment with analysts

INVESTOR RELATIONS CALENDAR

Event	Venue	Date
OSK DMG Malaysia Corporate Day	Singapore	January 2010
Maybank Roadshow	Malaysia	January 2010
Sunway Group Corporate Presentation - RHB Investment	Malaysia	February 2010
KAF Corporate Day	Malaysia	March 2010
Credit Suisse Asian Investment Conference 2010	Hong Kong	March 2010
Invest Malaysia 2010	Malaysia	March 2010
Malaysia Gem's Day 2010 - Bursa Malaysia	Singapore	May 2010
KAF Corporate Day	Malaysia	October 2010

SUNWAY ANALYST COVERAGE

Research institutions covering Sunway are:-

- Affin Investment Bank
- Credit Suisse
- ECM Libra
- Hong Leong Investment Bank*
- HwangDBS Vickers Research
- Maybank Investment Bank
- OSK Research**
- RHB Research Institute
- UOB KayHian

* Initiated coverage in 2011

** Initiated coverage in 2010



Presentation to analysts

112 Financial Statements

297 List of Properties

299 Recurrent Related Party Transactions



FINAN



CIALS

Directors' Report

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are 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 and pharmaceutical products, quarrying and property development.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Discontinued operations		
Profit for the year	174,142	4,077
Attributable to:		
Owners of the parent	163,052	4,077
Minority interests	11,090	-
	174,142	4,077

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements. In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from:

- the changes in accounting policies due to the adoption of FRS 139 Financial Instruments: Recognition and Measurement which have resulted in an increase in the Group's and the Company's profit net of tax by RM14.5 million and RM0.9 million respectively as disclosed in Note 2.3(e) to the financial statements; and
- the changes in classification and presentation for the current financial year, of all its assets, liabilities and related reserves to held for sale in accordance with FRS 5 Non-current Assets (And Disposal Group) Held for Sale ("FRS 5") in view of the Company's acceptance of Sunway Berhad's (formerly known as Alpha Sunrise Sdn. Bhd.) ("Sunway") offer to acquire all of its business and undertaking, including all assets and liabilities of the Company, as disclosed in Note 24 of the financial statements.

DIVIDENDS

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

	RM'000
In respect of financial period ended 31 December 2009:	
Tax exempt interim dividend of 2.25%, on 577,051,605 ordinary shares of RM1 each, paid on 21 May 2010	12,984

The Board of Directors is not proposing any final dividend for the financial year ended 31 December 2010.

Directors' Report (contd.)

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO
Dato' Chew Chee Kin
Dato' Yau Kok Seng
Dato' Tan Kia Loke
Kwan Foh Kwai
Wong Chin Mun
Datuk Low Seng Kuan
Datuk Abdul Malek Bin Abdul Aziz

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

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

Since the end of the previous financial period, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

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

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

	Number of ordinary shares of RM1 each			
	1.1.2010	Acquired	Sold	31.12.2010
The Company				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	28,512,994	-	-	28,512,994
Dato' Chew Chee Kin	1,072,700	-	-	1,072,700
Dato' Yau Kok Seng	-	500,000	(455,900)	44,100
Dato' Tan Kia Loke	275,000	-	-	275,000
Kwan Foh Kwai	660,000	50,000	-	710,000
Wong Chin Mun	10,000	20,000	-	30,000
Datuk Abdul Malek Bin Abdul Aziz	13,000	57,000	(25,000)	45,000
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ¹	230,411,377	11,386,966	-	241,798,343
Kwan Foh Kwai ²	410,000	-	-	410,000
Datuk Low Seng Kuan ³	-	250,000	(200,000)	50,000
Options over ordinary shares of RM1 each				
	1.1.2010	Granted	Exercised	31.12.2010
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	2,500,000	-	-	2,500,000
Dato' Chew Chee Kin	1,000,000	-	-	1,000,000
Dato' Yau Kok Seng	1,000,000	-	(500,000)	500,000
Dato' Tan Kia Loke	1,000,000	-	-	1,000,000
Wong Chin Mun	50,000	-	-	50,000
Datuk Low Seng Kuan	50,000	-	-	50,000
Datuk Abdul Malek Bin Abdul Aziz	50,000	-	(50,000)	-
Number of Warrants 2009/2014				
	1.1.2010	Acquired	Sold	31.12.2010
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	10,825,029	-	-	10,825,029
Dato' Chew Chee Kin	1,113,433	900,000	-	2,013,433
Dato' Tan Kia Loke	592,351	302,000	-	894,351
Kwan Foh Kwai	220,000	100,000	-	320,000
Wong Chin Mun	21,165	-	(21,165)	-
Datuk Low Seng Kuan	66	-	-	66
Datuk Abdul Malek Bin Abdul Aziz	1,350	-	-	1,350

Directors' Report (contd.)

DIRECTORS' INTERESTS (contd.)

	Number of Warrants 2009/2014			
	1.1.2010	Acquired	Sold	31.12.2010
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO ¹	105,484,817	-	-	105,484,817
Dato' Chew Chee Kin ²	-	180,000	-	180,000
Kwan Foh Kwai ²	155,000	-	-	155,000
Datuk Low Seng Kuan ²	66	-	-	66

	Number of ordinary shares of HKD1 each			
	1.1.2010	Acquired	Sold	31.12.2010
Related corporation				
Sunway Global Limited				
Direct interest:				
Dato' Chew Chee Kin	869,684	-	-	869,684
Dato' Yau Kok Seng	820,456	-	-	820,456

	Options over ordinary shares of HKD1 each			
	1.1.2010	Granted	Exercised	31.12.2010
Direct interest:				
Dato' Chew Chee Kin	14,215,770	-	-	14,215,770
Dato' Yau Kok Seng	13,411,093	-	-	13,411,093

¹ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through 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.

² Deemed interest by virtue of him being associated to his spouse.

³ Deemed interest by virtue of him being associated to his son.

By virtue of Tan Sri Dato' Seri Dr. Jeffrey 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.

Directors' Report (contd.)

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM600,808,258 to RM606,699,755 by way of the issuance of:

- (i) new ordinary shares of RM1.00 each pursuant to the Employees' Share Option Scheme at the following exercise price per ordinary share for cash:

No. of new ordinary shares	Exercise price per share (RM)
4,866,250	1.00
564,000	1.21
56,250	1.48
201,000	1.75
50,000	1.87
109,750	1.88

- (ii) 44,247 new ordinary shares of RM1.00 each pursuant to the exercise of Warrants 2009/2014 at an exercise price of RM1.30 per ordinary share for cash.

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

TREASURY SHARES

During the financial year, the Company did not repurchase its issued ordinary shares from the open market.

As at 31 December 2010, the Company held a total of 24,688,300 ordinary shares as treasury shares out of its total issued and paid up share capital of 606,699,755 ordinary shares. Such treasury shares are held at a carrying amount of RM32,145,538.

WARRANTS

On 5 March 2009, the Company issued 246,655,262 warrants (Warrants 2009/2014) at an issue price of RM0.02 per warrant for cash on the basis of:

- (i) one (1) warrant for every three (3) ordinary shares of RM1.00 each held in the Company;
- (ii) one (1) warrant for every three (3) options granted under the Company's Employees' Share Option Scheme; and
- (iii) one (1) warrant for every three (3) Warrants 2004/2008 held on 17 October 2008.

The Warrants 2009/2014 entitle the registered holder, at any time within a period of 5 years commencing on and including the issue date and expiring on 4 March 2014, to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.30 per ordinary share for every warrant held.

During the financial year, 44,247 new ordinary shares of RM1.00 each were subscribed pursuant to the exercise of warrants for the equivalent number by the registered holders.

EMPLOYEES' SHARE OPTION SCHEME

On 7 November 2002, the Company implemented an Employees' Share Option Scheme ("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 25(c) to the financial statements.

Directors' Report (contd.)

EMPLOYEES' SHARE OPTION SCHEME (contd.)

The Company has been granted exemption from the Companies Commission of Malaysia from having to disclose the list of option holders and their holdings except for those holders who have options of 600,000 and above, which are as follows:

Name of employees	Options over ordinary shares of RM1 each			
	1.1.2010	Granted	Exercised	31.12.2010
Wong Fook Chai	610,000	-	(300,000)	310,000
Yap Chin Leong	600,000	-	(100,000)	500,000
Ng Boon Liang	600,000	-	(200,000)	400,000
Phang Koon Tuck	600,000	-	-	600,000
Mok Sew Wah	600,000	-	-	600,000

Details of options granted to Directors are disclosed in the Directors' Interests in this report.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report (contd.)

OTHER STATUTORY INFORMATION (contd.)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 40 to the financial statements.

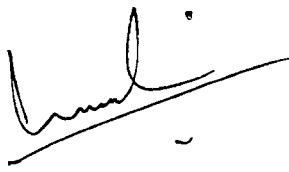
SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

Significant events subsequent to the reporting date are disclosed in Note 41 to the financial statements.

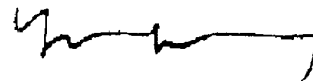
AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 April 2011.



Dato' Chew Chee Kin



Dato' Yau Kok Seng

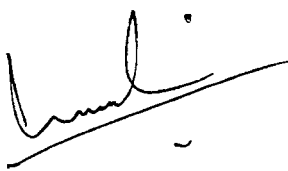
Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

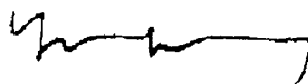
We, Dato' Chew Chee Kin and Dato' Yau Kok Seng, being two of the directors of Sunway Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 122 to 296 are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of the results and the cash flows of the Group and of the Company for the year then ended.

The information set out in Note 43 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 April 2011.



Dato' Chew Chee Kin



Dato' Yau Kok Seng

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Ng Lai Ping, being the Officer primarily responsible for the financial management of Sunway Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 122 to 296 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Ng Lai Ping
at Petaling Jaya in the State of
Selangor Darul Ehsan on 19 April 2011



Ng Lai Ping

Before me,



No. 10-1, Jalan PJS 11/28A,
Sunway Metro, 47150 Petaling Jaya,
Selangor Darul Ehsan.

Independent Auditors' Report

To the Members of Sunway Holdings Berhad
(Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sunway Holdings Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 122 to 296.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of the financial performance and cash flows of the Group and of the Company for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all subsidiaries of which we have not acted as auditors, which are indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Independent Auditors' Report

To the Members of Sunway Holdings Berhad (contd.)
(Incorporated In Malaysia)

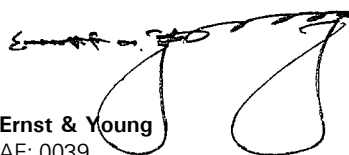
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (contd.)

- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.


OTHER MATTERS

The supplementary information set out in Note 43 on page 296 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young
AF: 0039
Chartered Accountants



Yong Voon Kar
No. 1769/04/12 (J/PH)
Chartered Accountant

Kuching, Malaysia
19 April 2011

Income Statements

For the financial year ended 31 December 2010

	Note	Group		Company	
		1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations					
Revenue	3	2,014,474	2,639,152	60,928	81,016
Cost of sales	4	(1,614,789)	(2,154,975)	(18,963)	(27,972)
Gross profit		399,685	484,177	41,965	53,044
Other operating income		73,309	54,131	25,245	5,860
Distribution costs		(62,011)	(93,873)	-	-
Administrative expenses		(206,440)	(273,498)	(3,500)	(4,049)
Other operating expenses		(43,702)	(36,232)	(31,271)	(2,025)
Operating profit		160,841	134,705	32,439	52,830
Finance income	5	7,169	5,990	1,321	4,196
Finance costs	5	(35,825)	(59,474)	(28,089)	(42,012)
Share of results of jointly controlled entities	17	103,244	51,175	-	-
Share of results of associates	15	(24,411)	20,766	-	-
Profit before tax	6	211,018	153,162	5,671	15,014
Income tax expense	8	(36,876)	(32,951)	(1,594)	(498)
Profit for the period		174,142	120,211	4,077	14,516
Profit attributable to:					
Owners of the parent		163,052	109,849	4,077	14,516
Minority interest		11,090	10,362	-	-
		174,142	120,211	4,077	14,516
Earnings per share attributable to owners of the parent (sen per share):					
Basic	9	28.22	20.50		
Diluted	9	25.31	20.46		

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

Statements of Comprehensive Income

For the financial year ended 31 December 2010

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Profit for the period	174,142	120,211	4,077	14,516
Other comprehensive income:				
Foreign currency translation	(11,148)	(1,477)	-	-
Share of other comprehensive income of associates	22,645	-	-	-
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income for the period	11,497	(1,477)	-	-
Total comprehensive income for the period	185,639	118,734	4,077	14,516
Total comprehensive income attributable to:				
Owners of the parent	176,409	107,740	4,077	14,516
Minority interest	9,230	10,994	-	-
	185,639	118,734	4,077	14,516

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

Statements of Financial Position

As at 31 December 2010

	Note	Group			Company	
		31.12.2010 RM'000	31.12.2009 (restated) RM'000	1.7.2008 (restated) RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Assets						
Non-current assets						
Property, plant and equipment	11	-	402,290	344,938	-	67
Investment properties	12	-	3,665	3,876	-	-
Rock reserves	13	-	10,249	1,789	-	-
Investments in subsidiaries	14	-	-	-	-	818,104
Interest in associates	15	-	69,262	49,185	-	-
Other investments	16	-	1,692	11,080	-	143
Interest in jointly controlled entities	17	-	227,349	90,561	-	-
Land held for property development	18	-	82,247	68,988	-	-
Receivables	19	-	16,843	11,468	-	-
Goodwill	20	-	128,728	125,991	-	-
Deferred tax assets	30	-	14,611	14,853	-	-
		-	956,936	722,729	-	818,314
Current assets						
Property development costs	18	-	95,095	61,260	-	-
Inventories	21	-	304,888	292,132	-	-
Trade and other receivables	19	-	696,445	775,916	-	55,728
Derivatives	22	-	-	-	-	-
Tax recoverable		-	27,179	27,863	-	8,602
Cash and bank balances	23	-	204,448	142,445	-	11,916
			1,328,055	1,299,616	-	76,246
Assets of disposal group classified as held for sale	24	2,481,594	21,892	-	863,761	-
		2,481,594	1,349,947	1,299,616	863,761	76,246
Total assets		2,481,594	2,306,883	2,022,345	863,761	894,560

Statements of Financial Position

As at 31 December 2010 (contd.)

	Note	Group			Company	
		31.12.2010 RM'000	31.12.2009 (restated) RM'000	1.7.2008 (restated) RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Equity and liabilities						
Equity attributable to owners of the parent						
Share capital	25	606,699	600,808	547,959	606,699	600,808
Treasury shares	25	(32,146)	(32,146)	(28,742)	(32,146)	(32,146)
Warrants	26	3,809	3,810	8,777	3,809	3,810
Share premium	27	218,056	217,605	195,493	218,056	217,605
Capital reserves	27	-	34,137	34,137	-	-
Capital redemption reserve	27	-	50	-	-	-
Merger relief reserve	27	49,615	49,615	49,615	49,615	49,615
Foreign currency reserve	27	-	(3,029)	(920)	-	-
Share option reserve	27	1,397	2,611	1,676	1,397	1,422
Retained earnings/ (Accumulated losses)	27	42,183	(102,501)	(209,558)	(461,964)	(452,024)
Reserve of disposal group classified as held for sale	24	47,343	-	-	-	-
		936,956	770,960	598,437	385,466	389,090
Minority interests		95,975	88,229	46,747	-	-
Total equity		1,032,931	859,189	645,184	385,466	389,090
Non-current liabilities						
Borrowings	28	-	411,478	455,576	-	259,232
Deferred tax liabilities	30	-	18,139	15,204	-	-
Derivatives	22	-	-	-	-	-
		-	429,617	470,780	-	259,232
Current liabilities						
Payables	31	-	702,319	637,398	-	191,717
Borrowings	28	-	281,472	255,849	-	54,521
Cumulative redeemable preference shares	29	-	15,000	-	-	-
Tax payable		-	15,610	13,134	-	-
Derivatives	22	-	-	-	-	-
		-	1,014,401	906,381	-	246,238
Liabilities directly associated with disposal group classified as held for sale	24	1,448,663	3,676	-	478,295	-
		1,448,663	1,018,077	906,381	478,295	246,238
Total liabilities		1,448,663	1,447,694	1,377,161	478,295	505,470
Total equity and liabilities		2,481,594	2,306,883	2,022,345	863,761	894,560

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

Statements of Changes In Equity

For the financial year ended 31 December 2010

Attributable to owners of the parent																	
Group	Non-distributable										Distributable						
	Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	Reserve of disposal group classified as held for sale RM'000	Other reserves, total RM'000	Non-distributable					Distributable					
							Capital reserves RM'000	Merger relief reserve RM'000	Capital redemption reserve RM'000	Foreign currency reserve RM'000	Statutory reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	(Accumulated losses)/Retained earnings RM'000	Total RM'000	Minority Interest RM'000	Total equity RM'000
Opening balance at 1 January 2010	600,808	(32,146)	3,810	217,605	-	83,384	34,137	49,615	50	(3,029)	-	-	2,611	(102,501)	88,229	899,189	
Effect of adopting FRS 139	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,831)	(355)	(5,186)	
	600,808	(32,146)	3,810	217,605	-	83,384	34,137	49,615	50	(3,029)	-	-	2,611	(107,332)	87,874	854,000	
Total comprehensive income	-	-	-	-	-	13,357	-	-	-	(9,288)	-	22,645	-	163,052	176,409	185,639	
Transactions with owners																	
Additional shares acquired by minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,867	1,867	
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(602)	(602)	
Dividend attributable to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,394)	(2,394)	
Cancellation of ESOS	-	-	-	-	(25)	-	-	-	-	-	-	-	(25)	25	-	-	
ESOS vested during the financial year	-	-	-	-	-	1,012	-	-	-	-	-	-	1,012	-	-	1,012	
Issue of shares:																	
- exercise of options over ordinary shares	5,847	-	-	437	-	-	-	-	-	-	-	-	-	-	-	6,284	
- exercise of warrants	44	-	(1)	14	-	-	-	-	-	-	-	-	-	-	57	57	
Share of depreciation transfer on land, net of tax by an associated company	-	-	-	-	-	(144)	-	-	-	-	-	(144)	-	193	49	49	
Transfer to statutory reserve	-	-	-	-	-	618	-	-	-	-	618	-	-	(618)	-	-	
Redemption of CRPS (Note 29)	-	-	-	-	-	153	-	-	153	-	-	-	-	(153)	-	-	
Dividends for the financial period ended 31.12.2009	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,984)	-	(12,984)	
Reserve attributable to disposal group classified as held for sale (Note 24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners	5,891	-	(1)	451	47,343	(47,343)	(34,137)	-	(203)	12,317	(618)	(22,501)	(2,201)	(13,537)	(5,582)	(6,711)	
Closing balance at 31 December 2010	606,699	(32,146)	3,809	218,056	47,343	51,012	-	49,615	-	(50)	12,317	(22,645)	(1,214)	42,183	936,956	95,975	1,032,931

Statements of Changes In Equity

For the financial year ended 31 December 2010 (contd.)

Attributable to owners of the parent																	
Non-distributable																	
Distributable																	
Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	Reserve of disposal group classified as held for sale RM'000	Other reserves, total RM'000	Capital reserves RM'000	Merger relief reserve RM'000	Capital redemption reserve RM'000	Foreign currency reserve RM'000	Statutory reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	(Accumulated losses)/Retained earnings RM'000	Total RM'000	Minority Interest RM'000	Total equity RM'000	
547,959	(28,742)	8,777	195,493	-	84,508	34,137	49,615	-	(920)	-	-	1,676	(209,558)	598,437	46,747	645,184	
Total comprehensive income																	
Transactions with owners																	
Additional shares acquired by minority shareholders																	
Acquisition of new subsidiaries																	
Liquidation of a subsidiary held by minority interest																	
Dividend attributable to minority shareholders																	
Cancellation of ESOS																	
New ESOS granted and vested																	
Issue of shares:																	
- exercise of options over ordinary shares																	
- exercise of warrants																	
- private placement																	
- share issue cost																	
Repurchase of shares																	
Expiration of warrants																	
Issue of warrants:																	
- renounceable rights issue																	
- restricted issue																	
- warrants issue cost																	
Redemption of CRPS (Note 29)																	
Dividend for the financial year ended 30.6.2008																	
Total transactions with owners																	
Closing balance at 31 December 2009																	

Statements of Changes In Equity

For the financial year ended 31 December 2010 (contd.)

	Non-distributable							
	Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	Share option reserve RM'000	Merger relief reserve RM'000	Accumulated losses RM'000	Total RM'000
Company								
Opening balance at 1 January 2010	600,808	(32,146)	3,810	217,605	1,422	49,615	(452,024)	389,090
Effects of adopting FRS 139	-	-	-	-	-	-	(1,033)	(1,033)
	600,808	(32,146)	3,810	217,605	1,422	49,615	(453,057)	388,057
Total comprehensive income	-	-	-	-	-	-	4,077	4,077
Transactions with owners								
Cancellation of ESOS	-	-	-	-	(25)	-	-	(25)
Issue of shares:								
- exercise of options over ordinary shares	5,847	-	-	437	-	-	-	6,284
- exercise of warrants	44	-	(1)	14	-	-	-	57
Dividends for the financial period ended 31.12.2009	-	-	-	-	-	-	(12,984)	(12,984)
Total transactions with owners	5,891	-	(1)	451	(25)	-	(12,984)	(6,668)
Closing balance at 31 December 2010	606,699	(32,146)	3,809	218,056	1,397	49,615	(461,964)	385,466

Statements of Changes In Equity

For the financial year ended 31 December 2010 (contd.)

	Non-distributable							
	Share capital RM'000	Treasury shares RM'000	Warrants RM'000	Share premium RM'000	Share option reserve RM'000	Merger relief reserve RM'000	Accumulated losses RM'000	Total RM'000
Company (contd.)								
Opening balance at 1 July 2008	547,959	(28,742)	8,777	195,493	1,676	49,615	(463,550)	311,228
Total comprehensive income	-	-	-	-	-	-	14,516	14,516
Transactions with owners								
Cancellation of ESOS	-	-	-	-	(254)	-	6	(248)
Issue of shares:								
- exercise of options over ordinary shares	504	-	-	2	-	-	-	506
- exercise of warrants	5	-	-	2	-	-	-	7
- private placement	52,340	-	-	23,815	-	-	-	76,155
- share issue cost	-	-	-	(1,707)	-	-	-	(1,707)
Repurchase of shares	-	(3,404)	-	-	-	-	-	(3,404)
Expiration of warrants	-	-	(8,777)	-	-	-	8,777	-
Issue of warrants:								
- renounceable rights issue	-	-	3,488	-	-	-	-	3,488
- restricted issue	-	-	1,445	-	-	-	-	1,445
- warrants issue cost	-	-	(1,123)	-	-	-	-	(1,123)
Dividends for the financial year ended 30.6.2008	-	-	-	-	-	-	(11,773)	(11,773)
Transactions with owners	52,849	(3,404)	(4,967)	22,112	(254)	-	(2,990)	63,346
Closing balance at 31 December 2009	600,808	(32,146)	3,810	217,605	1,422	49,615	(452,024)	389,090

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

Statements of Cash Flows

For the financial year ended 31 December 2010

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Cash flows from operating activities				
Receipts from customers	2,064,901	2,921,510	19,414	20,267
Payment to suppliers and contractors	(1,830,877)	(2,611,265)	(23,707)	(35,238)
Cash generated from/(used in) operations	234,024	310,245	(4,293)	(14,971)
Taxes paid	(29,669)	(47,396)	-	-
Taxes refunded	10,763	18,569	8,547	15,037
Interest received	1,518	3,428	-	-
Dividends received from subsidiaries	-	-	38,743	31,115
Net cash generated from operating activities	216,636	284,846	42,997	31,181
Cash flows from investing activities				
Proceeds from disposal of subsidiaries (Note 14(a))	41,486	-	-	-
Proceeds from disposal of other investments	63	503	63	354
Proceeds from disposal of property, plant and equipment	9,722	5,044	-	-
Proceeds from disposal of investment property	-	474	-	-
Receipt from disposal of other investment in previous years	1,987	1,053	1,987	1,053
Proceeds from redemption of redeemable preference shares	-	-	340	1,270
Purchase of property, plant and equipment (Note a)	(35,602)	(112,539)	(20)	(21)
Purchase of additional shares in subsidiaries	-	-	(12,074)	(47,030)
Acquisition of subsidiaries	-	(11,810)	-	-
Purchase of other investments	-	(44)	-	-
Investment in jointly controlled entities	(1,435)	(29,204)	-	-

Statements of Cash Flows

For the financial year ended 31 December 2010 (contd.)

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Cash flows from operating activities (contd.)				
Advances to subsidiaries	-	-	(28,559)	(38,545)
Repayment of advances from subsidiaries	-	-	(69,842)	(177,640)
Advances to jointly controlled entities	(51,391)	(55,155)	-	-
Advances from subsidiaries	-	-	75,231	193,897
Repayment of advances to subsidiaries	-	-	38,727	46,572
Dividends received from associates	347	2,080	-	-
Dividends received from jointly controlled entities	10,520	-	-	-
Net cash (used in)/ generated from investing activities	(24,303)	(199,598)	5,853	(20,090)
Cash flows from financing activities				
Repayment of hire purchase and lease	(2,595)	(3,284)	-	-
Hire purchase and lease obtained	1,704	3,736	-	-
Proceeds from issue of preference shares by a subsidiary	-	20,000	-	-
Redemption of preference shares by a subsidiary	(15,000)	(5,000)	-	-
Proceeds from issue of shares:				
- exercise of options over ordinary shares	6,284	506	6,284	506
- exercise of warrants	57	7	57	7
- private placement	-	76,155	-	76,155
Proceeds from issue of warrants:				
- renounceable rights issue	-	3,488	-	3,488
- restricted issue	-	1,445	-	1,445
Proceeds from issue of medium term notes	-	-	85,000	-
Subscription of shares by minority interest	1,903	4	-	-
Dividends paid to minority interest	(2,394)	(1,274)	-	-
Dividends paid to shareholders	(12,984)	(11,773)	(12,984)	(11,773)
Bank borrowings drawdown	715,030	728,522	225,000	21,000
Repayment of bank borrowings	(784,790)	(767,177)	(342,600)	(70,000)

Statements of Cash Flows

For the financial year ended 31 December 2010 (contd.)

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Cash flows from operating activities (contd.)				
Repurchase of shares	-	(3,404)	-	(3,404)
Interest received	7,002	5,482	399	1,327
Interest paid	(34,211)	(64,308)	(16,403)	(31,884)
Net cash used in financing activities	(119,994)	(16,875)	(55,247)	(13,133)
Net increase/(decrease) in cash and cash equivalents	72,339	68,373	(6,397)	(2,042)
Effects of foreign exchange rates changes	(9,790)	(2,527)	-	-
Cash and cash equivalents at beginning of period	183,340	117,494	11,916	13,958
Cash and cash equivalents at end of period (Note 23)	245,889	183,340	5,519	11,916

Note:

- (a) Additions of property, plant and equipment (Note 11) during the financial period were acquired by way of:

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Cash	35,602	112,539	20	21
Hire purchase and finance lease arrangements	18,742	12,988	-	-
Movement in property, plant and equipment creditor	10,250	19,566	-	(16)
Acquisition of subsidiaries				
- non-hire purchase	-	3,490	-	-
- hire purchase	-	931	-	-
	64,594	149,514	20	5

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

Notes to the Financial Statements

31 December 2010

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal 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 and pharmaceutical products, quarrying and property development.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.3.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise indicated in the summary of significant accounting policies below. In addition, pursuant to the offer by Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) to acquire all of the business and undertaking, including all assets and liabilities of the Company on 24 November 2010 (the "Offer") and the subsequent decision to accept the Offer by the non-interested Directors of the Company on 14 December 2010 as disclosed in Note 40(d), the criteria to be classified as held for sale under FRS 5 is regarded as met. Accordingly, all assets, liabilities and related reserves of the Group and the Company have been classified and presented on the statements of financial position as at 31 December 2010 as disposal group held for sale in accordance with FRS 5. The entire results of the Group and of the Company for the current financial year ended 31 December 2010 and the comparative financial period ended 31 December 2009 have also been presented on the income statements and statements of comprehensive income as "Discontinued Operations".

The above transaction has yet to be completed as at the date on which the financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue by the Board of Directors.

The accounting policy for non-current assets (and disposal group) held for sale and discontinued operations is set out in Note 2.2(z).

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

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(a) Subsidiaries and basis of consolidation** (contd.)**(ii) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Consistent accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill on the statements of financial position. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

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

(b) Associates

Associates are entities in which the Group has significant influence and that are neither subsidiaries nor interest in joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statements of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss.

Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(b) Associates (contd.)

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Consistent accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) 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 or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.2(b).

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less impairment losses.

On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss.

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

(d) Intangible assets

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(d) Intangible assets** (contd.)**(ii) Rock reserves**

Rock reserves are stated at cost less amortisation and any accumulated impairment losses. Rock reserves are amortised based on annual extraction rates over the estimated life of the reserves, with the maximum period of amortisation capped at 80 years.

(e) Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

The lease period for short term leasehold land is less than 50 years. The lease periods for long term leasehold land range from 50-99 years. Leasehold land is amortised on a straight-line basis over the periods of the respective leases.

Freehold land is stated at cost less any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

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

Quarry development expenditure is amortised over the extractable rock reserves period.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(f) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs or by reference to the physical completion of the contract.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(f) Construction contracts (contd.)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(g) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less any accumulated impairment losses.

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

(h) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(h) Land held for property development and property development costs** (contd.)**(ii) Property development costs** (contd.)

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within payables.

(i) Impairment of non-financial assets

The carrying amounts of assets, other than property development costs, inventories, deferred tax assets and non-current assets held for sale are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

(j) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average method. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. Costs for trading inventories and consumables comprise costs of purchase.

Cost of completed development properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(j) Inventories (contd.)

Cost of properties held for sale is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(l) Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss and loans and receivables.

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

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

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

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

(ii) Loans and receivables

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

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

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(l) Financial assets** (contd.)**(ii) Loans and receivables** (contd.)

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

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

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

(m) Impairment of financial assets

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

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the estimated recoverable amount. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(n) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(n) Financial liabilities (contd.)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Preference shares are classified as equity if there is no fixed term for redemption and dividends are at option of the issuer. Dividends on equity instruments are recognised in equity in the period in which they are declared.

Preference shares are classified as liability if it is redeemable on a specific date or at the option of the shareholders and confer on the shareholders the right to a cumulative preference dividends. The corresponding dividends on those shares are recognised as interest expense as and when they are incurred in profit or loss.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(p) Treasury shares**

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(q) 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.

(r) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

(s) Leases**(i) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(t) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowings costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(u) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(u) Income tax** (contd.)**(ii) Deferred tax** (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(v) Provisions for liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(w) Employee benefits**(i) Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(iii) Share-based compensation

The Sunway Holdings Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(w) Employee benefits (contd.)

(iii) Share-based compensation (contd.)

The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

(x) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.2 Summary of Significant Accounting Policies** (contd.)**(x) Foreign currencies** (contd.)**(iii) Foreign operations**

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

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

(y) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of properties under development, land and property inventories

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(h)(ii).

Revenue from sale of land and property inventories is recognised net of discount and upon transfer of significant risks and rewards of ownership to the purchasers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of property inventories.

(ii) Rental income

Rental income including those from investment properties, is recognised on the accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(iii) Investment income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income from short term deposits and advances is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

(iv) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(f).

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Summary of Significant Accounting Policies (contd.)

(y) Revenue recognition (contd.)

(v) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(vi) Management fees

Management fees are recognised when services are rendered.

(vii) Revenue from services

Revenue from services recognised is net of service taxes and discounts as and when the services are performed.

(viii) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the 'Rule of 78' basis.

(z) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2.3 Changes in accounting policies

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

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

FRS 7	Financial Instruments: Disclosure
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.3 Changes in accounting policies (contd.)**

Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosure and Reassessment of Embedded Derivatives
Amendments to FRSs IC Interpretation 9	Improvements to FRS issued in 2009
IC Interpretation 10	Reassessment of Embedded Derivatives
IC Interpretation 11	Interim Financial Reporting and Impairment
IC Interpretation 13	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 14	Customer Loyalty Programmes
	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

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

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

(a) FRS 7: Financial Instruments: Disclosure

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

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

(b) FRS 8: Operating Segments

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

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

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

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Changes in accounting policies (contd.)

(c) FRS 101: Presentation of Financial Statements (Revised) (contd.)

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 38).

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

(d) Amendments to FRS 117: Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117: Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in all unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial position as at 31 December 2010 arising from the above change in accounting policy:

	Group 31.12.2010 RM'000
Increase/(decrease) in:	
Property, plant and equipment	11,446
Prepaid land lease payments	(11,446)

The following comparatives have been restated:

	As previously stated RM'00	Adjustments RM'00	As restated RM'000
Consolidated statement of financial position			
31 December 2009			
Property, plant and equipment	386,149	16,141	402,290
Prepaid land lease payments	16,141	(16,141)	-
1 July 2008			
Property, plant and equipment	328,511	16,427	344,938
Prepaid land lease payments	16,427	(16,427)	-

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.3 Changes in accounting policies** (contd.)**(e) FRS 139: Financial Instruments: Recognition and Measurement**

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

(i) Non-hedging derivatives

Prior to 1 January 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all derivative financial assets and derivative financial liabilities held by the Group as at 1 January 2010 are recognised at their fair values of RM0.9 million and RM3.2 million respectively.

(ii) Impairment of trade receivables

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

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

	Increase/(decrease)	
	31.12.2010	1.1.2010
	RM'000	RM'000
Statements of financial position		
Group		
Receivables	(2,212)	(7,930)
Derivatives (assets)	11,579	905
Payables	(2,643)	(4,763)
Borrowings	269	(269)
Derivatives (liabilities)	(2,781)	3,193
Retained earnings	14,522	(4,831)
Minority interest	-	(355)
Company		
Payables	-	(317)
Derivatives (liabilities)	(938)	1,350
Accumulated losses	938	(1,033)

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.3 Changes in accounting policies (contd.)

(ii) Impairment of trade receivables (contd.)

The following are effects arising from the above changes in accounting policies: (contd.)

	Group 1.1.2010 to 31.12.2010 RM'000	Company 1.1.2010 to 31.12.2010 RM'000
Income statements		
Other income	16,981	938
Other expenses	(2,459)	-
Profit before tax	14,522	938
Income tax expense	-	-
Profit for the year	14,522	938
		Group Increase/(decrease) 31.12.2010 Sen per share
Earnings per share:		
Basic		2.51
Diluted		2.25

2.4 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 March 2010:

Amendments to FRS 132 Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC	Reassessment of Embedded Derivatives
Interpretation 9	
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.4 Standards issued but not yet effective (contd.)****Effective for financial periods beginning on or after 1 January 2011:**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-Time Adopters
Amendments to FRS 1	Additional Exemptions for First-Time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Improvements to FRSs (2010) issued in November 2010

Effective for financial periods beginning on or after 1 July 2011:

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
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Effective for financial periods beginning on or after 1 January 2012:

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate

The Group and the Company plan to adopt the above pronouncements when they become effective in the respective financial period. Unless otherwise described below, these pronouncements are expected to have no significant impact to the financial statements of the Group and the Company upon their initial application:

(i) FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transaction will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

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

IC Interpretation 15 was issued on 8 January 2010 and becomes effective for financial years beginning on or after 1 January 2012. The Interpretation is to be applied retrospectively. It clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111: Construction Contracts or FRS 118: Revenue.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Standards issued but not yet effective (contd.)

(ii) IC Interpretation 15: Agreements for the Construction of Real Estate (contd.)

FRS 111 applies when the agreement meets the definition of a construction contract, that is, a contract specifically negotiated for the construction of an asset or a combination of assets. In contrast, an agreement for the construction of real estate in which buyers have only limited ability to influence the design of the real estate is an agreement for the sale of goods within the scope of FRS 118.

In Malaysia, the terms of the Sales and Purchase Agreement ("SPA") are dictated by the Housing and Development Act. Under the SPA, the risks and rewards of ownership of the asset pass to the buyer at delivery, and not continuously as construction progresses. In applying IC 15, the Group is required to recognise the revenue from property development activities on a completion basis. The impact of IC 15 cannot be reasonably estimated, due to the uncertainties surrounding the expectation of future sales and fluctuation of development cost.

2.5 Significant accounting estimates and judgements

Estimates and judgements 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 on the carrying amounts of assets and liabilities are outlined below.

(i) Construction contracts

The Group recognises construction contract revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 32 to the financial statements.

(ii) Property development

The Group recognises property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The details of property development activities are shown in Note 18 to the financial statements.

(iii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the Financial Statements 31 December 2010 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)**2.5 Significant accounting estimates and judgements** (contd.)**(iv) Deferred taxation**

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in Note 30 to the financial statements.

(v) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2010 was RM127,842,000 (31.12.2009: RM128,728,000). Further details are disclosed in Note 20 to the financial statements.

(vi) Impairment of investment in associates

The Group tests investment in associates for impairment annually in accordance with its accounting policy. (See accounting policy Note 2.2(i) on impairment of non-financial assets). More regular reviews are performed if events indicate that this is necessary.

Significant judgement 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 judgement 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. Further details are disclosed in Note 15 to the financial statements.

3. REVENUE

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Construction revenue	1,094,905	1,373,173	-	-
Sale of goods and properties	787,467	1,151,280	-	-
Property development	119,841	84,506	-	-
Lease and hire purchase	2,390	3,629	-	-
Dividend income (gross) from subsidiaries	-	-	41,488	56,248
Rendering of services and others	9,871	26,564	19,440	24,768
	2,014,474	2,639,152	60,928	81,016

Notes to the Financial Statements 31 December 2010 (contd.)

4. COST OF SALES

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Construction cost	828,106	1,056,558	-	-
Cost of goods and properties sold	673,134	995,809	-	-
Property development cost	84,967	56,384	-	-
Lease and hire purchase	2,130	3,207	-	-
Cost of services rendered and others	26,452	43,017	18,963	27,972
	1,614,789	2,154,975	18,963	27,972

5. FINANCE INCOME AND COSTS

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Finance income				
Interest income from:				
Advances to subsidiaries	-	-	1,059	3,640
Deposits with licensed bank	3,207	3,148	262	553
Customer late payment	1,391	1,067	-	-
Advances to subcontractors	-	70	-	-
Others	2,571	1,705	-	3
	7,169	5,990	1,321	4,196
Finance costs				
Interest expense on:				
Bank borrowings	(30,526)	(56,209)	(14,412)	(28,194)
Medium term notes	(437)	-	(437)	-
Advances from subsidiaries	-	-	(9,393)	(12,800)
Advances from external parties	(348)	(425)	-	-
Others	(4,514)	(2,840)	(3,847)	(1,018)
	(35,825)	(59,474)	(28,089)	(42,012)
Net finance cost	(28,656)	(53,484)	(26,768)	(37,816)

Notes to the Financial Statements 31 December 2010 (contd.)

6. PROFIT BEFORE TAX

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
The following amounts have been charged in arriving at profit before tax:				
Auditors' remuneration:				
- statutory audits				
- Company's auditors	1,200	1,400	217	225
- other auditors	1,051	1,319	-	-
- other services				
- Company's auditors	4	185	4	78
- other auditors	-	272	-	-
- overprovision in prior period	(92)	(28)	-	-
Allowance for doubtful debts:				
- trade and non trade	9,127	10,530	-	-
Allowance for inventory obsolescence	6,886	3,862	-	-
Bad debts written off:				
- trade	295	1,059	-	-
Directors' fees	108	162	108	162
Derivative loss	2,459	-	-	-
Exchange losses				
- unrealised	8,279	7,366	44	-
- realised	2,807	4,460	300	480
Hire of plant and machinery	2,107	7,225	-	-
Loss on disposal of a subsidiary	-	-	-	143
Loss on disposal of other investments	-	1,000	-	1,000
Inventories written off	1,804	266	-	-
Impairment losses in respect of:				
Subsidiaries:				
- unquoted shares	-	-	24,835	-
Property, plant and equipment:				
- depreciation	46,096	65,069	29	37
- amortisation of quarry development expenditure	878	910	-	-
- written off	295	687	-	-
- impairment losses	3,176	3,698	-	-
- loss on disposal	1,922	353	-	-
Amortisation of rock reserves	935	36	-	-
Rental of land and buildings	17,476	25,004	-	-
Travelling and transport	15,330	27,803	166	332

Notes to the Financial Statements 31 December 2010 (contd.)

6. PROFIT BEFORE TAX (contd.)

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
The following amounts have been charged in arriving at profit before tax: (contd.)				
Debt repayment for a previously disposed subsidiary	-	6	-	6
Waiver of debt to subsidiaries	-	-	-	396
Provision for liabilities (Note 31)	16,844	-	-	-
Staff costs (including Directors' Remuneration (Note 7)):				
- wages, salaries and bonuses	179,105	218,705	13,533	19,425
- national defined contribution plan	11,400	16,028	1,468	2,253
- social security fund	1,135	2,073	42	82
- ESOS (Note 25(c))	1,012	1,189	-	-
- other employee benefits	10,370	15,566	425	652
The following amounts have been credited in arriving at profit before tax:				
Bad debts recovered - trade	1,424	396	-	-
Derivative gain	16,981	-	938	-
Exchange gain:				
- unrealised	1,658	2,495	-	2,375
- realised	10,070	9,039	1,967	-
Gain on disposal of other investments	-	5	-	-
Gain on disposal of property, plant and equipment	5,160	2,388	-	-
Gain on disposal of subsidiaries	13,846	-	-	-
Gain on disposal of investment property	-	263	-	-
Rental income from land and buildings	8,533	12,898	-	-
Write back of allowance for doubtful debts:				
- trade	1,657	2,833	-	-
- non trade	-	-	16,659	-
Waiver of debt by subsidiaries	-	-	5,567	3,120
Reversal of impairment losses in respect of other investments:				
- Unquoted investments, net	63	308	63	349

Notes to the Financial Statements 31 December 2010 (contd.)

7. DIRECTORS' REMUNERATION

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Executive directors:				
Salaries and bonuses	3,692	5,398	3,692	5,398
Estimated money value of benefits-in-kind	96	199	96	199
National defined contribution plan	451	663	451	663
Other benefits	68	123	68	123
	4,307	6,383	4,307	6,383
Non-executive directors*:				
Salaries and bonuses	2,036	2,561	-	-
Estimated money value of benefits-in-kind	95	129	-	-
National defined contribution plan	252	321	-	-
Other benefits	68	110	-	-
	2,451	3,121	-	-
Non-executive directors:				
Fees	108	162	108	162
Other emoluments	137	48	137	48
	245	210	245	210
Total directors' remuneration	7,003	9,714	4,552	6,593

* Directors' remuneration in respect of certain non-executive directors who are executive directors of a subsidiary of the Company.

Notes to the Financial Statements 31 December 2010 (contd.)

7. DIRECTORS' REMUNERATION (contd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Executive directors:		
RM600,001 - RM650,000	-	1
RM1,000,001 - RM1,050,000	1	-
RM1,200,001 - RM1,250,000	1	-
RM1,300,001 - RM1,350,000	-	1
RM1,500,001 - RM1,550,000	-	1
RM2,050,001 - RM2,100,000	1	-
RM2,700,001 - RM2,750,000	-	1
Non-executive directors:		
Below RM100,000	3	3
RM1,050,001 - RM1,100,000	1	-
RM1,300,001 - RM1,350,000	-	1
RM1,350,001 - RM1,400,000	1	-
RM1,800,001 - RM1,850,000	-	1

8. INCOME TAX EXPENSE

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Discontinued operations				
Current income tax:				
Malaysian income tax	13,305	20,581	1,539	530
Foreign tax	22,030	11,629	-	-
	35,335	32,210	1,539	530
Under/(over)provision in prior period:				
Malaysian income tax	1,828	(1,162)	55	(32)
Foreign tax	-	456	-	-
	37,163	31,504	1,594	498

Notes to the Financial Statements 31 December 2010 (contd.)

8. INCOME TAX EXPENSE (contd.)

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	1,905	850	-	-
(Over)/underprovision in prior period	(2,192)	597	-	-
	(287)	1,447	-	-
Total income tax expense	36,876	32,951	1,594	498

Current income tax is calculated at the statutory tax rate of 25% (31.12.2009: 25%) on estimated assessable profit for the period.

Notes to the Financial Statements 31 December 2010 (contd.)

8. INCOME TAX EXPENSE (contd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

Group	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Profit before tax	211,018	153,162
Taxation at Malaysian statutory tax rate of 25% (31.12.2009: 25%)	52,755	38,291
Different tax rates in other countries	2,361	(391)
Income not subject to tax	(33,955)	(28,577)
Expenses not deductible for tax purposes	13,879	20,555
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	(2,603)	(1,285)
Deferred tax assets not recognised in respect of current period's tax losses, unabsorbed capital allowances and other deductible temporary differences	4,803	4,776
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	-	(309)
Under/(over)provision of income tax in prior period	1,828	(706)
(Over)/underprovision of deferred tax in prior period	(2,192)	597
Income tax expense for the period	36,876	32,951
Company		
Profit before tax	5,671	15,014
Taxation at Malaysian statutory tax rate of 25% (31.12.2009: 25%)	1,418	3,754
Income not subject to tax	(9,394)	(6,640)
Expenses not deductible for tax purposes	9,708	2,424
Utilisation of previously unrecognised tax losses	(193)	-
Deferred tax assets not recognised in respect of current period	-	992
Under/(over)provision of income tax in prior period	55	(32)
Income tax expense for the period	1,594	498

Notes to the Financial Statements 31 December 2010 (contd.)

8. INCOME TAX EXPENSE (contd.)

Tax savings during the financial period arising from:

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Tax savings from the utilisation of tax losses brought forward from previous years for which the related credit is recognised during the financial period	2,603	1,285	193	-

9. EARNINGS PER SHARE**(a) Basic**

Basic earnings per share amounts are calculated by dividing profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial period, excluding treasury shares held by the Company.

	1.1.2010 to 31.12.2010	1.7.2008 to 31.12.2009
Discontinued operations		
Profit attributable to owners of the parent (RM'000)	163,052	109,849
Weighted average number of ordinary shares in issue ('000)	577,781	535,791
Basic earnings per share (sen)	28.22	20.50

Notes to the Financial Statements 31 December 2010 (contd.)

9. EARNINGS PER SHARE (contd.)

(b) Diluted

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 directors and employees and warrants. The terms of the options over ordinary shares and unexercised warrants are set out in Note 25(c) and Note 26 to the financial statements respectively.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial period have been adjusted for the dilutive effects of all potential ordinary shares, arising from share options granted to directors and employees and warrants.

	1.1.2010 to 31.12.2010	1.7.2008 to 31.12.2009
Discontinued operations		
Profit attributable to owners of the parent (RM '000)	163,052	109,849
Weighted average number of ordinary shares in issue ('000)	577,781	535,791
Effect of dilution of share options and warrants ('000)	66,343	1,148
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	644,124	536,939
Diluted earnings per share (sen)	25.31	20.46

Notes to the Financial Statements 31 December 2010 (contd.)

10. DIVIDENDS

Dividends in respect of period		Dividends recognised in period	
1.7.2008 to 31.12.2009 RM'000	1.7.2007 to 30.6.2008 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Recognised during the period:			
Final dividend for 2008:			
Franked dividend of 2.3382% less 25% taxation (1.7536 sen per share) and tax exempt dividend of 0.4963% (0.4963 sen per share)			
-	11,773	-	11,773
Interim dividend for 2009:			
Tax exempt dividend of 2.25% (2.25 sen per share)			
12,984	-	12,984	-
12,984	11,773	12,984	11,773

The Board of Directors is not proposing any final dividend for the financial year ended 31 December 2010.

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.

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31.12.2010										
Cost										
Purchased assets										
At 1.1.2010										
As previously stated	22,141	117,595	-	-	435,823	38,396	39,608	22,876	44,489	720,928
Effects of adopting the amendments to FRS 117	-	-	3,387	14,731	-	-	-	-	-	18,118
As restated	22,141	117,595	3,387	14,731	435,823	38,396	39,608	22,876	44,489	739,046
Additions	-	10,107	-	-	25,925	2,297	3,670	1,534	2,319	45,852
Exchange differences	-	(2,957)	-	(481)	(12,741)	(1,567)	(343)	-	(1,721)	(19,810)
Transfers/reclassifications	-	(4,400)	(280)	-	29,037	(593)	2,070	150	(29,854)	(3,870)
Written off	-	(115)	-	-	(691)	(258)	(3,293)	-	-	(4,357)
Disposals	-	(1,417)	(749)	(2,944)	(13,626)	(5,358)	(273)	-	(5,957)	(30,324)
Attributable to disposal group classified as held for sale (Note 24)	(22,141)	(118,813)	(2,358)	(11,306)	(463,727)	(32,917)	(41,439)	(24,560)	(9,276)	(726,537)
At 31.12.2010	-	-	-	-	-	-	-	-	-	-
Assets acquired under finance lease and hire purchase agreements										
At 1.1.2010	-	-	-	-	37,022	5,586	7,513	-	-	50,121
Additions	-	-	-	-	16,580	2,159	3	-	-	18,742
Exchange differences	-	-	-	-	(535)	(17)	-	-	-	(552)
Disposals	-	-	-	-	(1,678)	(60)	-	-	-	(1,738)
Attributable to disposal group classified as held for sale (Note 24)	-	-	-	-	(51,389)	(7,668)	(7,516)	-	-	(66,573)
At 31.12.2010	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in-progress RM'000	Total RM'000
At 31.12.2010										
Accumulated depreciation										
Purchased assets										
At 1.1.2010										
As previously stated	-	27,750	-	-	261,040	35,796	30,149	3,903	-	358,638
Effects of adopting the amendments to FRS 117	-	-	644	1,333	-	-	-	-	-	1,977
As restated	-	27,750	644	1,333	261,040	35,796	30,149	3,903	-	360,615
Depreciation charge for the period	-	2,591	331	263	32,145	1,813	3,476	878	-	41,497
Exchange differences	-	(268)	-	(35)	(4,669)	(950)	(97)	(2)	-	(6,021)
Transfers/reclassifications	-	(3,656)	(12)	-	1,546	(520)	398	180	-	(2,064)
Written off	-	(62)	-	-	(502)	(253)	(3,245)	-	-	(4,062)
Disposals	-	(608)	(204)	(102)	(9,961)	(4,443)	(218)	(179)	-	(15,715)
Attributable to disposal group classified as held for sale (Note 24)	-	(25,747)	(759)	(1,459)	(279,599)	(31,443)	(30,463)	(4,780)	-	(374,250)
At 31.12.2010	-	-	-	-	-	-	-	-	-	-
Assets acquired under finance lease and hire purchase agreements										
At 1.1.2010	-	-	-	-	6,614	2,681	7,216	-	-	16,511
Depreciation charge for the period	-	-	-	-	4,026	1,302	149	-	-	5,477
Exchange differences	-	-	-	-	(81)	34	-	-	-	(47)
Disposals	-	-	-	-	(137)	(49)	-	-	-	(186)
Attributable to disposal group classified as held for sale (Note 24)	-	-	-	-	(10,422)	(3,968)	(7,365)	-	-	(21,755)
At 31.12.2010	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31.12.2010										
Accumulated impairment losses										
At 1.1.2010	-	4,958	-	-	3,919	-	29	-	845	9,751
Additions	-	1,908	-	-	1,053	-	215	-	-	3,176
Attributable to disposal group classified as held for sale (Note 24)	-	(6,866)	-	-	(4,972)	-	(244)	-	(845)	(12,927)
At 31.12.2010	-	-	-	-	-	-	-	-	-	-
Net carrying amount										
Purchased assets	-	-	-	-	-	-	-	-	-	-
Assets acquired under finance lease and hire purchase agreements	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31.12.2009										
Cost										
Purchased assets										
At 1.7.2008										
As previously stated	25,714	121,802	-	-	353,641	45,862	38,834	3,321	42,484	631,658
Effects of adopting the amendments to FRS 117	-	-	4,066	13,705	-	-	-	-	-	17,771
As restated	25,714	121,802	4,066	13,705	353,641	45,862	38,834	3,321	42,484	649,429
Additions	9,972	33,326	-	717	58,993	2,340	6,576	3,660	16,521	132,105
Exchange differences	60	(6,584)	-	309	(4,237)	(2,608)	(812)	-	1,945	(11,927)
Acquisition of subsidiaries	-	-	-	-	3,164	-	326	-	-	3,490
Transfers/reclassifications	(13,605)	(30,900)	(679)	-	37,627	(3,352)	(3,214)	15,895	(16,461)	(14,689)
Written off	-	-	-	-	(5,934)	(83)	(1,567)	-	-	(7,584)
Disposals	-	(49)	-	-	(7,431)	(3,763)	(535)	-	-	(11,778)
At 31.12.2009	22,141	117,595	3,387	14,731	435,823	38,396	39,608	22,876	44,489	739,046
Assets acquired under finance lease and hire purchase agreements										
At 1.7.2008	-	-	-	-	37,847	6,000	7,192	-	-	51,039
Additions	-	-	-	-	11,397	1,148	443	-	-	12,988
Exchange differences	-	-	-	-	143	3	-	-	-	146
Acquisition of subsidiaries	-	-	-	-	-	931	-	-	-	931
Transfers/ reclassifications	-	-	-	-	(12,365)	(1,467)	(122)	-	-	(13,954)
Written off	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(1,029)	-	-	-	(1,029)
At 31.12.2009	-	-	-	-	37,022	5,586	7,513	-	-	50,121
	22,141	117,595	3,387	14,731	472,845	43,982	47,121	22,876	44,489	789,167

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31.12.2009										
Accumulated depreciation										
Purchased assets										
At 1.7.2008										
As previously stated	-	37,727	-	-	223,006	36,686	29,330	617	118	327,484
Effects of adopting the amendments to FRS 117	-	-	529	815	-	-	-	-	-	1,344
As restated	-	37,727	529	815	223,006	36,686	29,330	617	118	328,828
Depreciation charge for the period	-	6,507	115	518	41,966	3,302	4,873	910	-	58,191
Exchange differences	-	(3,144)	-	-	(3,940)	(1,734)	(654)	-	-	(9,472)
Transfers/reclassifications	-	(13,324)	-	-	11,117	908	(1,841)	2,376	(118)	(882)
Written off	-	-	-	-	(5,715)	(81)	(1,101)	-	-	(6,897)
Disposals	-	(16)	-	-	(5,394)	(3,285)	(458)	-	-	(9,153)
At 31.12.2009	-	27,750	644	1,333	261,040	35,796	30,149	3,903	-	360,615
Assets acquired under finance lease and hire purchase agreements										
At 1.7.2008	-	-	-	-	10,695	2,985	6,969	-	-	20,649
Depreciation charge for the period	-	-	-	-	5,934	1,534	320	-	-	7,788
Exchange differences	-	-	-	-	13	(5)	-	-	-	8
Transfers/reclassifications	-	-	-	-	(10,028)	(1,188)	(73)	-	-	(11,289)
Written off	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(645)	-	-	-	(645)
At 31.12.2009	-	-	-	-	6,614	2,681	7,216	-	-	16,511
	-	27,750	644	1,333	267,654	38,477	37,365	3,903	-	377,126

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group	Freehold land RM'000	Buildings RM'000	Short term leasehold land RM'000	Long term leasehold land RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31.12.2009										
Accumulated impairment losses										
At 1.7.2008	-	-	-	-	5,172	-	36	-	845	6,053
Additions	-	4,958	-	-	-	-	-	-	-	4,958
Written back	-	-	-	-	(1,253)	-	(7)	-	-	(1,260)
At 31.12.2009	-	4,958	-	-	3,919	-	29	-	845	9,751
Net carrying amount										
At 31.12.2009										
Purchased assets	22,141	84,887	2,743	13,398	170,864	2,600	9,430	18,973	43,644	368,680
Assets acquired under finance lease and hire purchase agreements	-	-	-	-	30,408	2,905	297	-	-	33,610
	22,141	84,887	2,743	13,398	201,272	5,505	9,727	18,973	43,644	402,290
At 1.7.2008										
Purchased assets	25,714	84,075	3,537	12,890	125,463	9,176	9,468	2,704	41,521	314,548
Assets acquired under finance lease and hire purchase agreements	-	-	-	-	27,152	3,015	223	-	-	30,390
	25,714	84,075	3,537	12,890	152,615	12,191	9,691	2,704	41,521	344,938

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Freehold land with carrying value of RM13,299,000 (31.12.2009: RM9,665,000) at the end of the financial period are pledged as security for term loan facilities.

Buildings with carrying value of RM27,301,000 (31.12.2009: RM12,507,000) at the end of the financial period are pledged as security for term loan facilities.

Plant and machinery with carrying value of RM13,036,000 (31.12.2009: RM13,914,000) at the end of the financial period are pledged as security for term loan facilities.

During the financial year, certain subsidiaries of the Group carried out a review of the recoverable amount of their property, plant and equipment as these subsidiaries had been making losses. Consequently, an impairment loss of RM3,176,000 (31.12.2009: RM 4,958,000) was recognised. The recoverable amounts of the property, plant and equipment was estimated based on their respective fair value less costs to sell.

Company	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 31.12.2010			
Cost			
At 1.1.2010	23	84	107
Additions	20	-	20
Attributable to disposal group classified as held for sale (Note 24)	(43)	(84)	(127)
At 31.12.2010	-	-	-
Accumulated depreciation			
At 1.1.2010	12	28	40
Depreciation charge for the period	12	17	29
Attributable to disposal group classified as held for sale (Note 24)	(24)	(45)	(69)
At 31.12.2010	-	-	-
Net carrying amount	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

11. PROPERTY, PLANT AND EQUIPMENT (contd.)

Company (contd.)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
At 31.12.2009			
Cost			
At 1.7.2008	21	84	105
Additions	5	-	5
Written off	(3)	-	(3)
At 31.12.2009	23	84	107
Accumulated depreciation			
At 1.7.2008	3	3	6
Depreciation charge for the period	12	25	37
Written off	(3)	-	(3)
At 31.12.2009	12	28	40
Net carrying amount	11	56	67

Notes to the Financial Statements 31 December 2010 (contd.)

12. INVESTMENT PROPERTIES

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Cost		
At beginning of financial period	3,665	3,876
Add: Transfer from property, plant and equipment	1,823	-
Add: Transfer from inventories	44,600	-
Less: Disposals during the financial period	-	(211)
Less: Attributable to disposal group classified as held for sale (Note 24)	(50,088)	-
At end of financial period	-	3,665
Accumulated depreciation		
At beginning of financial period	-	-
Depreciation charge for the period	208	-
Exchange differences	36	-
Less: Attributable to disposal group classified as held for sale (Note 24)	(244)	-
At end of financial period	-	-
Carrying amount	-	3,665

Investment properties comprise of 3 pieces of freehold quarry land located in Penang, a warehouse and apartment in Singapore and a commercial building in Shah Alam. The total fair values of these properties were estimated at RM59.11 million (31.12.2009: RM4.79 million).

13. ROCK RESERVES

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
At beginning of financial period	10,249	1,789
Additions during the financial period	-	8,496
Amortisation for the financial period	(935)	(36)
Less: Attributable to disposal group classified as held for sale (Note 24)	(9,314)	-
At end of financial period	-	10,249

Additions during the previous financial period arose from the finalisation of the purchase price allocation for subsidiaries acquired, Ansa Teknik Holdings Sdn. Bhd. and Taiping Kuari Sdn. Bhd.

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES

	Company	
	31.12.2010 RM'000	31.12.2009 RM'000
At beginning of financial period	887,701	773,581
Additions during the financial period	23,065	116,015
Liquidated and disposed off	-	(377)
Redemption of investment in redeemable preference shares	(340)	(1,270)
Effect of share based payment	(25)	(248)
At end of financial period	910,401	887,701
Less: Accumulated impairment losses	(94,432)	(69,597)
Less: Attributable to disposal group classified as held for sale (Note 24)	(815,969)	-
Net carrying amount at end of financial period	-	818,104

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries as these subsidiaries had been making losses. Consequently, an impairment loss of RM24,835,000 (31.12.2009: RM Nil) was recognised. The recoverable amounts of the subsidiaries were estimated based on their respective value in use. The pre-tax discount rate used was 14%.

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
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	Trading in hose and fittings and hose assembly
Sunway 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 and life insurance agency providing insurance underwriting and consultancy services
Sunway Management Sdn. Bhd.	Malaysia	100.00	100.00	Share registration and secretarial services

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Sunway Land Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding
Sunway Holdings (Vietnam) Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding
Reptolink Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding
Sunway Property (China) Limited *	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 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
Sunway Supply Chain Enterprise Sdn. Bhd.	Malaysia	100.00	100.00	General traders dealing in timber, plywood, metal products, information and communication technology equipment, general plant and machineries and other general merchandise

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Sunway Juarasama Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
ABS Land & Properties Berhad (In Liquidation)	Malaysia	100.00	100.00	Dormant
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
Sunway Quarry (Kuala Kangsar) Sdn. Bhd. (formerly known as Kualiti Klasik Sdn.Bhd.)	Malaysia	100.00	100.00	To sell or otherwise deal in stones, aggregates, premix or other construction related products
Sunway Quarry (Melaka) Sdn. Bhd. (formerly known as Ansa Teknik Holdings Sdn. Bhd.) *	Malaysia	100.00	100.00	Investment holding

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Sunway Quarry Industries (Caribbean) Limited *	Trinidad and Tobago	100.00	100.00	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects
Sunway Integrated Outsourcing Sdn. Bhd.	Malaysia	100.00	100.00	Provision of business process outsourcing, knowledge process outsourcing and information technology outsourcing services
Myanmar Sungei Way Holdings Limited * (In Liquidation)	Myanmar	99.90	99.90	Dormant
PT Sunway Quarry Indonesia *	Indonesia	95.00	95.00	Dormant
Amalan Insaf (M) Sdn. Bhd.*	Malaysia	82.50	82.50	Dormant
Sunway Global Limited *	Hong Kong	76.93	74.26	Investment holding and provision of management services

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
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. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Identiti Jelata (M) Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Sunway Engineering Sdn. Bhd.	Malaysia	75.10	75.10	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.	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	Dormant

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Construction Sdn. Bhd. (contd.):				
Muhibbah Permai Sdn. Bhd.	Malaysia	80.00	80.00	Property development
Target Beam (M) Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Baramatics Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Classvest Realty Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Crosside Realty Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
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
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	100.00	Piling and foundation works
Sunway Construction Caribbean Limited *	Trinidad and Tobago	100.00	100.00	Construction of civil and building works

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Construction Sdn. Bhd. (contd.):				
Sunway Precast Industries Sdn. Bhd.	Malaysia	100.00	100.00	Manufacturing precast concrete building components, undertaking of precast concrete building contracts and renting of machinery
Sun-Block (Batang Kali) Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
Sunway IBS Sdn. Bhd.	Malaysia	70.00	70.00	Dormant
Sunway Interiors Sdn. Bhd. (formerly known as Sunway-LCL Interiors Sdn. Bhd.)	Malaysia	100.00	60.00	Dormant
Subsidiary of Sunway Industrial Products Sdn. Bhd.:				
Sunway Concrete Products (S) Pte. Ltd. *	Singapore	100.00	100.00	Manufacturing and sale of precast concrete building components
Subsidiary of Sunway Concrete Products (S) Pte. Ltd.:				
Sunway Developments Pte. Ltd. *	Singapore	100.00	100.00	Other investment holding companies and general contractors (building construction including major upgrading works)

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Developments Pte Ltd.:				
Sunway Land Pte. Ltd. *	Singapore	100.00	-	Real estate developers and building contractor NEC ⁺
Subsidiaries of Sunway Creative Stones Sdn. Bhd.:				
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
Subsidiary of Sunway GD Piling Sdn. Bhd.:				
Sunway GD Piling (Caribbean) Limited *@	Trinidad and Tobago	-	100.00	Dormant
Subsidiaries of Sunway Machineries Services Sdn. Bhd.:				
Sunway PMI-Pile Construction Sdn. Bhd.	Malaysia	99.42	99.42	Dormant
Sunway SK Sdn. Bhd.	Malaysia	100.00	100.00	Construction of building and civil works

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiary of				
Sunway Engineering Sdn. Bhd.:				
Sunway Smartek Sdn. Bhd.	Malaysia	75.10	75.10	Dormant
Subsidiary of				
Sunway Smartek Sdn. Bhd.:				
Sunway Smartek Marketing Sdn. Bhd.	Malaysia	38.30	38.30	Dormant
Subsidiary of				
Sunway Geotechnics (M) Sdn. Bhd.:				
Sunway Geotechnics (S) Pte. Ltd. *	Singapore	100.00	100.00	Piling and foundation works
Subsidiaries of				
SunwayMas Sdn. Bhd.:				
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

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of SunwayMas Sdn. Bhd. (contd.):				
Sunway Rydgeway Sdn. Bhd. (formerly known as Sunway Greenview Sdn. Bhd.)	Malaysia	80.00	80.00	Property and housing development
Sunway Termuning Sdn. Bhd.	Malaysia	80.00	80.00	Property and housing development
Virgo Rhythm Sdn. Bhd.	Malaysia	100.00	100.00	Property and housing development
Sunway Land (China) Limited *	Hong Kong	100.00	100.00	Investment holding
Analisa Kekal Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
Geneba Dua Sdn. Bhd.	Malaysia	100.00	-	Dormant
Sunway PJ51A Sdn.Bhd. (formerly known as Sungei Way Resources Sdn. Bhd.)	Malaysia	100.00	-	Property and housing development
Subsidiary of Sunway Quarry Industries Sdn. Bhd.:				
Sunway Quarry Industries (Taiping) Sdn. Bhd. (formerly known as Taiping Kuari Sdn. Bhd.) *	Malaysia	100.00	100.00	To undertake quarry operation, manufacturer or supplier of processed or unprocessed stones, rock materials and other similar products for construction and building works

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Marketing Sdn. Bhd.:				
Sunway Marketing (East Malaysia) Sdn. Bhd.	Malaysia	85.00	85.00	Trading in hoses and fittings and industrial products
Sunway Hose Centre Sdn. Bhd.	Malaysia	85.00	85.00	Trading in hoses and fittings and hose assembly
Sunway Architectural Products Sdn. Bhd.	Malaysia	85.00	85.00	Dormant
Sun Pharmaceutical Sdn. Bhd. *	Malaysia	-	60.00	Importation and distribution of pharmaceutical products
Sunway Pharma Sdn. Bhd. *	Malaysia	100.00	-	To carry on the business of wholesale and retail chemists
Sunway Opus International Trading Private Limited. *	India	60.00	-	To undertake business of import, marketing and sale of architectural and finishing products
Subsidiaries of Sunway Marketing (S) Pte. Ltd.:				
PT Sunway Marketing Indonesia *	Indonesia	100.00	100.00	Dormant
Sunway Marketing (Shanghai) Pte. Ltd. *	China	100.00	100.00	Trading in hose and fittings, hose assembly and heavy equipment parts

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Marketing (S) Pte. Ltd. (contd.):				
PT Sunway Trek Masindo *	Indonesia	100.00	100.00	Trading in hose and fittings, hose assembly and heavy equipment parts
Sunway Marketing (Thailand) Ltd. *	Thailand	100.00	100.00	Trading in hose and fittings, hose assembly and heavy equipment parts
Totalrubber Ltd. *	Australia	100.00	100.00	Import and distribution of industrial rubber and plastics
PT Sunway Flowtech *	Indonesia	100.00	-	Trading in hoses and fittings, and hose assembly
Subsidiaries of Sun Pharmaceutical Sdn. Bhd.:				
Sun Pharmaceutical Pte. Ltd. *	Singapore	-	60.00	Dormant
Sunway Pharma Sdn. Bhd *	Malaysia	-	60.00	Ceased operation
Subsidiaries of Sunway Leasing Sdn. Bhd.:				
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	100.00	100.00	Provision of shares nominee services

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Leasing Sdn. Bhd. (contd.):				
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.	Malaysia	100.00	100.00	Provision of finance through leasing and hire purchase
Subsidiaries of Sunway Land Sdn. Bhd.:				
Sunway PJ51A Sdn.Bhd. (formerly known as Sungei Way Resources Sdn. Bhd.)	Malaysia	-	100.00	Investment holding
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	100.00	100.00	Investment holding
Subsidiaries of Reptolink Sdn. Bhd.:				
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

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Holdings (Vietnam) Sdn. Bhd.:				
Sunway Hatay Construction & Building Materials JV Co. Ltd. *	Vietnam	86.00	86.00	Quarrying and manufacturing of ready-mixed concrete
Hochimex Nominee Company Limited *	Hong Kong	-	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
Subsidiary of Hochimex Nominee Company Limited:				
Sunway Hotel Hanoi Liability Limited Co. with One Member *	Vietnam	-	100.00	Hotel operations
Subsidiary of Realty Investments (HB) Inc.:				
Hang Bai Office Complex JVC *	Vietnam	74.00	74.00	Dormant
Subsidiary of Amalan Insaf (M) Sdn. Bhd.:				
Sunway Property Sdn. Bhd. * #	Malaysia	-	82.50	Dormant

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiary of Sunway Keramo Sdn. Bhd.:				
Sunway Pipe Inspection and Repair Services Centre Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
Subsidiaries of Sunway Paving Solutions Sdn. Bhd.:				
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	100.00	Manufacturing and marketing of cavity wall panel
Sunway Cavity Wall Panel (S) Pte. Ltd. *	Singapore	100.00	100.00	Manufacturing and marketing of cavity wall panel
Subsidiary of Sunway Quarry (Melaka) Sdn. Bhd. (formerly known as Ansa Teknik Holdings Sdn. Bhd.):				
Sunway Quarry Industries (Melaka) Sdn. Bhd. (formerly known as Ansa Teknik Holdings Sdn. Bhd.) *	Malaysia	100.00	100.00	Granite quarrying

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiary of				
ABS Land & Properties Berhad:				
Coral-White Sdn. Bhd. (In Liquidation)	Malaysia	100.00	100.00	Dormant
Subsidiaries of				
Sunway Global Limited:				
Sunway Building Materials (Shanghai) Co. Ltd. *	China	76.93	74.26	Manufacturing, sale and marketing of interlocking pavers
Sunway Building Materials (Dongguan) Co. Ltd. *	China	76.93	74.26	Manufacturing, sale and marketing of interlocking pavers
Sunway Spun Pile (Zhuhai) Co. Ltd. *	China	61.54	59.41	Design, manufacture and sale of pretensioned spun concrete piles
Sunway GD Foundation Engineering Co. Ltd. *	Macau	46.16	44.56	To carry out foundation and construction works
Sunway Xin Long (Anhui) Hydraulic Co. Ltd. *	China	60.00	57.92	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway Global Limited (contd.):				
Sunway Trading (Shanghai) Pte. Ltd. *	China	76.93	74.26	Trading and distribution of hose and couplings, machineries, spare parts and related items
Sunway Daechang Forging (Anhui) Co. Ltd. *	China	46.16	44.56	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance
Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.:				
Heng Ngai Knitting Manufacturer Sdn. Bhd.	Malaysia	100.00	100.00	Dormant
Sungei Way Enterprise (1988) Singapore Pte. Ltd. * >	Singapore	-	100.00	Dormant
Subsidiaries of Sunway GD Foundation Engineering Co Ltd.:				
Shanghai Xinhetai Construction Ltd. *	China	32.31	31.19	To undertake the business of foundation engineering
Splendid Era Sdn. Bhd. *	Malaysia	46.16	44.56	To carry out foundation and construction works and renting of machineries

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Sunway GD Foundation Engineering Co Ltd. (contd.):				
Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co. Ltd. *	China	46.16	44.56	Providing technical and consultancy advisory for engineering works and to undertake engineering works through contracting construction projects
PT Sunway Construction Engineering *	Indonesia	25.39	24.51	To carry out foundation and construction works
Subsidiary of Sunway Trading (Shanghai) Pte. Ltd.:				
Sunway International Trading (Tianjin) Pte. Ltd. *	China	76.93	-	Trading in hoses and fittings and providing technical consultancy advisory services
Subsidiary of Shanghai Xinhetai Construction Ltd.:				
Shanghai Sunway Geotechnics Engineering Co. Ltd. *	China	32.31	31.19	Undertake geotechnical and foundation engineering through contracting construction projects, installation, leasing and renting of machineries and equipment, marketing and distribution of building materials related products

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Subsidiaries of Totalrubber Ltd.:				
Total Rubber Services Franchising Pty. Ltd. *	Australia	100.00	100.00	Franchisor for TOTALRUBBER franchising business
Pacific Flow Technology Pty. Ltd. *	Australia	80.00	80.00	Manufacturing and sales of rubber hose products
Subsidiary of Sunway Risk Management Sdn Bhd:				
Sunway Captive Insurance Ltd. (Held in trust by General Captive International Ltd)	Malaysia	100.00	100.00	To carry on business as an offshore rent-a-captive insurer

* Not audited by Ernst & Young.

> Dissolved on 9 March 2010.

Dissolved on 9 April 2010.

@ Dissolved on 4 October 2010.

+ Refers to 'not elsewhere classified'

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)**31.12.2010****(a) Disposal of subsidiaries**

- (i) The Group had on 22 June 2010 disposed of its 60% equity interest in Sun Pharmaceutical Sdn. Bhd. and its subsidiary for a total cash consideration of RM2,350,000.

The disposal had the following effects on the financial position of the Group:

	RM'000
Net assets disposed of	906
Attributable goodwill (Note 20)	886
	1,792
Total disposal proceeds	(2,350)
Gain on disposal to the Group	(558)
Cash inflow arising from disposal:	
Cash consideration	2,350
Cash and cash equivalent of subsidiaries disposed of	(348)
Net cash inflow on disposal	2,002

- (ii) The Group had on 29 June 2010 disposed of its entire equity interest in Hochimex Nominee Company Limited and its subsidiary for a total cash consideration of USD17 million (equivalent to approximately RM56.19 million).

The disposal had the following effects on the financial position of the Group:

	RM'000
Net assets disposed of	19,134
Transfer from foreign exchange reserve	15,508
	34,642
Expenses incurred on disposal	8,258
Total disposal proceeds	(56,188)
Gain on disposal to the Group	(13,288)
Cash inflow arising from disposal:	
Cash consideration	56,188
Purchase consideration paid in the previous financial period	(6,016)
Cash and cash equivalent of subsidiaries disposed of	(10,688)
Net cash inflow on disposal	39,484

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

31.12.2009

(a) Acquisition of subsidiaries

- (i) The Group had on 29 July 2008 entered into a Share Sale Agreement ("SSA") to acquire 90% equity interest in Totalrubber Ltd. ("Totalrubber") for a total cash consideration of AUD4.5 million (equivalent to approximately RM13.2 million). Upon the completion of the said acquisition, the purchase consideration was reduced by AUD300,000 to AUD4.2 million (approximately RM12.7 million) as the vendors were unable to fulfil certain conditions of the SSA.

The Group had on 23 December 2009 exercised the call option pursuant to the SSA to acquire the remaining 10% equity interest in Totalrubber for a total cash consideration of AUD104,606 (equivalent to approximately RM0.3 million). Upon the completion of the said acquisition, Totalrubber has become a wholly-owned subsidiary of the Group.

The assets and liabilities arising from the acquisition of 90% equity interest are as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	2,628	2,628
Deferred tax assets	202	202
Inventories	17,392	17,392
Receivables	8,856	8,856
Cash and bank balances	813	813
	29,891	29,891
Payables	14,868	14,868
Borrowings	10,535	10,535
Tax payables	119	119
	25,522	25,522
Fair value of net assets	4,369	
Less: Minority interest	(437)	
Group's share of net assets	3,932	
Goodwill on acquisition	8,788	
Total cost of acquisition	12,720	

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)**31.12.2009****(a) Acquisition of subsidiaries** (contd.)

- (i) The assets and liabilities arising from the acquisition of 10% equity interest are as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	2,899	2,899
Deferred tax assets	202	202
Inventories	14,949	14,949
Receivables	4,652	4,652
Cash and bank balances	175	175
	22,877	22,877
Payables	17,827	17,827
Borrowings	3,495	3,495
Tax payables	123	123
	21,445	21,445
Fair value of net assets	1,432	
Less: Existing Group's share of net assets	(1,289)	
Additional net assets acquired	143	
Goodwill on acquisition	216	
Total cost of acquisition	359	

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)

31.12.2009

(a) Acquisition of subsidiaries (contd.)

- (ii) The Group had on 28 August 2009 acquired 55% equity interest in PT Sunway Construction Engineering for a total cash consideration of IR1.65 billion (equivalent to approximately RM587,000).

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	1,793	1,793
Receivables	1,664	1,664
Cash and bank balances	1,043	1,043
	4,500	4,500
Payables	3,433	3,433
	3,433	3,433
Fair value of net assets	1,067	
Less: Minority interest	(480)	
Group's share of net assets	587	
Goodwill on acquisition	-	
Total cost of acquisition	587	

- (iii) The Company had on 31 December 2008 entered into a Subscription Agreement with its 60% owned subsidiary, Sunway Global Limited and Goldman Sachs Strategic Investments (Asia) LLC ("Goldman Sachs") for the subscription of 78,693,293 and 57,621,983 ordinary shares of HKD1.00 each in Sunway Global Limited by the Company and Goldman Sachs respectively by way of capitalisation of amounts owing by Sunway Global Limited to the Company and Goldman Sachs. The capitalisation was deemed completed as at 31 December 2008.

During the financial period, the Company further subscribed for 97,360,996 ordinary shares of HKD1.00 each in Sunway Global Limited by way of cash.

Notes to the Financial Statements 31 December 2010 (contd.)

14. INVESTMENTS IN SUBSIDIARIES (contd.)**31.12.2009****(a) Acquisition of subsidiaries** (contd.)

Details of the cash flow arising from the acquisitions are as follows:

	31.12.2009 RM'000
Purchase consideration satisfied by cash	13,666
Less: Cash and cash equivalent of subsidiaries acquired	(1,856)
Cash outflow of the Group on acquisitions	11,810

The acquired subsidiaries have contributed the following results to the Group:

	31.12.2009 RM'000
Revenue	73,042
Loss for the period	(1,728)

If the acquisition had occurred on 1 July 2008, the contribution to the Group's revenue and loss for the period would have been RM87,678,000 and RM2,043,000 respectively.

(b) Liquidation of a subsidiary

The Group had on 2 September 2008 liquidated its 70% equity interest in Synergy Quarry and Asphalt Industries Sdn. Bhd. with a loss on liquidation of RM16,000.

(c) Disposal of a subsidiary

The Company had on 11 July 2008 disposed of its entire equity interest in a wholly owned subsidiary, Splendid Era Sdn. Bhd., to another subsidiary, Sunway Global Limited, for a total cash consideration of RM2. The disposal resulted in a loss of RM143,000 to the Company. However, it has no financial effects to the Group.

Notes to the Financial Statements 31 December 2010 (contd.)

15. INVESTMENT IN ASSOCIATES

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Quoted:				
At cost				
- shares	190,367	190,367	-	-
Share of post-acquisition (losses)/profits	(1,535)	5,098	-	-
Share of non-distributable reserves	21,865	(829)	-	-
	210,697	194,636	-	-
Less:				
Accumulated impairment losses				
- shares	(143,692)	(143,692)	-	-
Attributable to disposal group classified as held for sale (Note 24)	(67,005)	-	-	-
	-	50,944	-	-
Unquoted:				
Shares at cost	4,759	4,759	3,406	3,406
Share of post-acquisition (losses)/ profits	(731)	17,395	-	-
	4,028	22,154	3,406	3,406
Less: Accumulated impairment losses	(3,836)	(3,836)	(3,406)	(3,406)
Less: Attributable to disposal group classified as held for sale (Note 24)	(192)	-	-	-
	-	18,318	-	-
	-	69,262	-	-
Market values of quoted investments:				
- shares	44,367	23,917	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

15. INVESTMENT IN ASSOCIATES (contd.)

Group's share of revenue, profit, assets and liabilities of associates are as follows:

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Assets and liabilities		
Non-current assets	33,744	64,484
Current assets	43,180	88,410
Current liabilities	(6,851)	(82,336)
Non-current liabilities	(2,876)	(1,296)
	67,197	69,262
Results:		
Revenue	37,592	243,449
(Loss)/ Profit after tax	(24,411)	20,766

As at 31 December 2010, the carrying value of the Group's investment in quoted shares of an associate was RM67.0 million (31.12.2009: RM50.9 million), while its market value was RM46.4 million (31.12.2009: RM23.9 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 31 December 2010.

The directors have assessed the recoverable amount of the Group's investment in quoted shares of the associate based on the value in use method and concluded that no impairment is required as at 31 December 2010.

The effective interest of the Group in Gopeng Berhad is 19.33%. Nonetheless, the Group exercises significant influence via its representation on the board of directors of Gopeng Berhad which allow the Group to participate in the financial and operating policy decisions.

Notes to the Financial Statements 31 December 2010 (contd.)

15. INVESTMENT IN ASSOCIATES (contd.)

Details of the associates are as follows:

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Sungei Way-Saigon-Pilecon Engineering Company *	Vietnam	42.30	42.30	Dormant
Associate of Fortuna Gembira Enterpris Sdn. Bhd.:				
Gopeng Berhad *	Malaysia	19.33	19.33	Cultivation of oil palm, investment holding and property development
Associate of Sunway Juarasama Sdn. Bhd.:				
Sungei Way Construction (S) Pte. Ltd. *	Singapore	50.00	50.00	Dormant
Associate of SunwayMas Sdn. Bhd.:				
Varich Industries Sdn. Bhd. *	Malaysia	50.00	50.00	Dormant
Associate of Sunway Marketing Sdn. Bhd.:				
Buildtrend B.S.G. (M) Sdn. Bhd. *	Malaysia	30.00	30.00	Distribution of architectural building products and sanitary wares

Notes to the Financial Statements 31 December 2010 (contd.)

15. INVESTMENT IN ASSOCIATES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Associate of Sunway Builders Sdn. Bhd.:				
ISZL Consortium *	Unincorporated	25.00	25.00	Construction

* Not audited by Ernst & Young.

16. OTHER INVESTMENTS

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Other investments:				
- unquoted investments	3,456	3,374	1,760	1,823
Less:				
Accumulated impairment losses				
- unquoted investments	(1,745)	(1,682)	(1,617)	(1,680)
	1,711	1,692	143	143
Attributable to disposal group				
classified as held for sale (Note 24)	(1,711)	-	(143)	-
	-	1,692	-	143

Notes to the Financial Statements 31 December 2010 (contd.)

17. INTEREST IN JOINTLY CONTROLLED ENTITIES

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Unquoted:		
Shares at cost	31,317	29,882
Premium on acquisition	5	5
Share of post-acquisition profits	150,229	61,149
Share of assets	44,597	44,597
	226,148	135,633
Loan to jointly controlled entities	141,398	91,716
Less: Attributable to disposal group classified as held for sale (Note 24)	(367,546)	-
	-	227,349

The loan to jointly controlled entities is unsecured, interest-free and has no fixed terms of repayment.

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entities are as follows:

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Assets and liabilities:		
Current assets	944,395	650,350
Non-current assets	83,726	75,933
Total assets	1,028,121	726,283
Current liabilities	(610,478)	(283,736)
Non-current liabilities	(191,495)	(306,914)
Total liabilities	(801,973)	(590,650)
Income and expenses:		
Income	703,829	207,682
Expenses	(600,585)	(156,507)

Notes to the Financial Statements 31 December 2010 (contd.)

17. INTEREST IN JOINTLY CONTROLLED ENTITIES (contd.)

Details of the jointly controlled entities are as follows:

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
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	40.00	Investment holding
Hoi Hup Sunway J.V. Pte. Ltd. *	Singapore	30.00	30.00	Real estate development
Hoi Hup Sunway Property Pte. Ltd. *	Singapore	30.00	30.00	Real estate activities with own or leased property
SunCon Central Glass J.V. *	Unincorporated	70.00	70.00	Completion of curtain walling works
SunCon Soma Joint Venture *	Unincorporated	50.00	50.00	Construction
Sunway Daechang Forging Investment Limited *	Hong Kong	50.00	50.00	Investment holding
Silver Coast-Sunway Innopave J.V. *	Unincorporated	60.00	60.00	Construction works
Hoi Hup Sunway Miltonia Pte. Ltd. *	Singapore	30.00	-	Real estate developer
Hoi Hup Sunway Tampines Pte. Ltd. *	Singapore	30.00	-	Real estate developer

Notes to the Financial Statements 31 December 2010 (contd.)

17. INTEREST IN JOINTLY CONTROLLED ENTITIES (contd.)

Name	Country of incorporation	Effective interest		Principal activities
		31.12.2010	31.12.2009	
		%	%	
Hoi Hup Sunway Yuan Ching Pte. Ltd. *	Singapore	30.00	-	Real estate developer
SunGeo - Awangsa J.V. *	Unincorporated	50.80	-	Piling and substructure works

* Not audited by Ernst & Young.

18. PROPERTY DEVELOPMENT ACTIVITIES

(a) Land held for property development

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
At cost		
- freehold land	44,727	44,727
- leasehold land	47,349	11,695
Development expenditure	27,008	25,825
Attributable to disposal group classified as held for sale (Note 24)	(119,084)	-
	-	82,247
At beginning of financial period	82,247	68,988
At cost		
- additions of leasehold land	35,654	3,942
Development expenditure incurred during the financial period	1,183	413
Transfer of land from/(to) property development costs		
- freehold land	-	(785)
- leasehold land	-	3,125
Transfer of development expenditure from property development costs	-	6,564
Attributable to disposal group classified as held for sale (Note 24)	(119,084)	-
At end of financial period	-	82,247

Notes to the Financial Statements 31 December 2010 (contd.)

18. PROPERTY DEVELOPMENT ACTIVITIES (contd.)**(b) Property development costs**

	Group	
	31.12.2010	31.12.2009
	RM'000	RM'000
At beginning of financial period:		
- land	48,545	43,576
- development costs	136,917	88,424
- accumulated cost charged to income statement	(90,367)	(70,740)
	95,095	61,260
Costs incurred during the financial period:		
- Transfer of land (to)/from land held for property development		
- freehold land	-	785
- leasehold land	-	(3,125)
- Transfer of development expenditure (to)/from land held for property development	-	(6,564)
- Acquisition of land held for property development	11,323	7,876
- Development costs	66,646	91,247
	77,969	90,219
Costs charged to income statement	(84,492)	(56,384)
Reversal of completed projects:		
- land	(840)	(567)
- development costs	(32,830)	(36,190)
- accumulated cost charged to income statement	33,670	36,757
	-	-
Attributable to disposal group classified as held for sale (Note 24)	(88,572)	-
At end of financial period:		
- land	59,028	48,545
- development costs	170,733	136,917
- accumulated cost charged to income statement	(141,189)	(90,367)
- attributable to disposal group classified as held for sale (Note 24)	(88,572)	-
	-	95,095

Interest expense capitalised during the financial period under property development costs of the Group amounted to RM2,573,000 (31.12.2009: RM1,474,000).

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Non-current				
Finance lease receivables	16,029	11,967	-	-
Hire purchase receivables	3,640	4,876	-	-
Less: Attributable to disposal group classified as held for sale (Note 24)	(19,669)	-	-	-
	-	16,843	-	-
Current				
Trade receivables	379,059	410,210	8,214	14,313
Retention sums (Note 32)	128,069	90,936	-	-
	507,128	501,146	8,214	14,313
Finance lease receivables	7,165	6,831	-	-
Hire purchase receivables	3,049	3,911	-	-
Amounts due from customers on contracts (Note 32)	42,036	44,887	-	-
Deposits	16,280	8,978	298	31
Other receivables	107,873	102,083	6,006	8,008
Prepayments	20,011	27,812	2,414	49
Accrued billings in respect of property development costs	424	714	-	-
Amounts due from subsidiaries	-	-	19,628	33,244
Amount due from an associate	164	83	83	83
Less: Attributable to disposal group classified as held for sale (Note 24)	(704,130)	-	(36,643)	-
	-	696,445	-	55,728
Total trade and other receivables	723,799	713,288	36,643	55,728
Less: Amounts due from customers on contracts	(42,036)	(44,887)	-	-
Less: Prepayments	(20,011)	(27,812)	(2,414)	(49)
Less: Accrued billings in respect of property development costs	(424)	(714)	-	-
Add: Cash and bank balances (Note 23)	257,142	204,448	5,519	11,916
Total loans and receivables	918,470	844,323	39,748	67,595

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)

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
31.12.2010				
Finance lease receivables	16,029	15,809	-	-
Hire purchase receivables	3,640	3,482	-	-
31.12.2009				
Finance lease receivables	11,967	11,372	-	-
Hire purchase receivables	4,876	4,672	-	-

Non-current receivables are denominated in Ringgit Malaysia and are due within 5 years from reporting date.

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The currency exposure profile of trade receivables is as follows:				
- Ringgit Malaysia (RM)	240,200	251,749	8,214	14,313
- Singapore Dollar (SGD)	30,508	42,980	-	-
- Vietnam Dong (VND)	4,226	9,638	-	-
- Indonesian Rupiah (INR)	9,093	5,464	-	-
- US Dollar (USD)	22	1,618	-	-
- Renminbi (RMB)	34,975	21,948	-	-
- Trinidad and Tobago Dollar (TTD)	14,623	10,113	-	-
- Thai Baht (THB)	3,864	2,848	-	-
- India Rupee (IR)	19,940	47,930	-	-
- Euro (EURO)	5	1,013	-	-
- Macau Pataca (MOP)	3,063	4,292	-	-
- United Arab Emirates Dirham (AED)	6,340	-	-	-
- Australian Dollar (AUD)	12,200	10,617	-	-
	379,059	410,210	8,214	14,313

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000

The currency exposure profile of retention sums is as follows:

- Ringgit Malaysia (RM)	88,477	70,328	-	-
- Singapore Dollar (SGD)	16,927	8,665	-	-
- Trinidad and Tobago Dollar (TTD)	7,088	8,598	-	-
- Renminbi (RMB)	2,250	3,345	-	-
- United Arab Emirates Dirham (AED)	13,327	-	-	-
	128,069	90,936	-	-

The currency exposure profile of amounts due from customers on contracts is as follows:

- Ringgit Malaysia (RM)	27,490	25,831	-	-
- Singapore Dollar (SGD)	534	-	-	-
- India Rupee (IR)	6,619	9,041	-	-
- Trinidad and Tobago Dollar (TTD)	7,393	10,015	-	-
	42,036	44,887	-	-

The currency exposure profile of deposits is as follows:

- Ringgit Malaysia (RM)	14,814	6,147	298	31
- Singapore Dollar (SGD)	780	1,588	-	-
- Vietnam Dong (VND)	37	158	-	-
- Indonesian Rupiah (INR)	-	68	-	-
- Indian Rupee (IR)	68	74	-	-
- Trinidad and Tobago Dollar (TTD)	112	18	-	-
- Renminbi (RMB)	152	697	-	-
- Thai Baht (THB)	73	66	-	-
- Australian Dollar (AUD)	244	162	-	-
	16,280	8,978	298	31

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The currency exposure profile of other receivables is as follows:				
- Ringgit Malaysia (RM)	55,219	61,038	6,006	8,008
- Singapore Dollar (SGD)	924	43	-	-
- Vietnam Dong (VND)	505	3,259	-	-
- Indonesian Rupiah (INR)	-	724	-	-
- Indian Rupee (IR)	26,554	24,647	-	-
- Trinidad and Tobago Dollar (TTD)	2,859	4,552	-	-
- Renminbi (RMB)	15,080	6,442	-	-
- Hong Kong Dollar (HKD)	-	1,054	-	-
- Macau Pataca (MOP)	-	14	-	-
- Thai Baht (THB)	603	193	-	-
- Australian Dollar (AUD)	95	117	-	-
- United Arab Emirates Dirham (AED)	6,034	-	-	-
	107,873	102,083	6,006	8,008

The currency exposure profile of prepayments is as follows:

- Ringgit Malaysia (RM)	9,061	17,840	2,414	49
- Singapore Dollar (SGD)	1,168	963	-	-
- Vietnam Dong (VND)	175	3,600	-	-
- Indian Rupee (IR)	320	-	-	-
- Indonesian Rupiah (INR)	2,475	1,902	-	-
- Trinidad and Tobago Dollar (TTD)	99	503	-	-
- Renminbi (RMB)	4,576	2,756	-	-
- Australian Dollar (AUD)	416	248	-	-
- United Arab Emirates Dirham (AED)	1,721	-	-	-
	20,011	27,812	2,414	49

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Finance lease receivables:		
Not later than 1 year	8,508	7,976
Later than 1 year and not later than 5 years	17,522	13,342
	26,030	21,318
Less: Unearned interest	(2,836)	(2,520)
	23,194	18,798
Representing finance lease receivables:		
Not later than 1 year	7,165	6,831
Later than 1 year and not later than 5 years	16,029	11,967
	23,194	18,798
Hire purchase receivables:		
Not later than 1 year	3,415	4,381
Later than 1 year and not later than 5 years	3,905	5,299
	7,320	9,680
Less: Unearned interest	(631)	(893)
	6,689	8,787
Representing hire purchase receivables:		
Not later than 1 year	3,049	3,911
Later than 1 year and not later than 5 years	3,640	4,876
	6,689	8,787

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 reporting date was 4.97% (31.12.2009: 4.18%) 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.

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 10 to 120 days (2009 : 10 to 120 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables, retention sums, finance lease receivables, hire purchase receivables, amount due from customers on contract and accrued billings in respect of property development cost are as follows:

	Group	Company
	31.12.2010	31.12.2010
	RM'000	RM'000
Neither past due nor impaired	322,895	-
1 to 30 days past due not impaired	52,941	486
31 to 60 days past due not impaired	37,558	457
61 to 90 days past due not impaired	100,902	253
91-120 days past due not impaired	15,635	252
More than 121 past due not impaired	48,961	6,766
	578,892	8,214
Impaired	78,604	-
	657,496	8,214

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM256 million that are past due at the reporting date but not impaired. Based on credit history, there are no indications as at reporting date that these customers will not be able to meet their obligations.

Receivables that are impaired

The Group's trade receivables that are impaired have been individually determined.

These trade receivables relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements 31 December 2010 (contd.)

19. TRADE AND OTHER RECEIVABLES (contd.)

(a) Trade receivables (contd.)

Receivables that are impaired (contd.)

Movement in allowance accounts:

	Group
	31.12.2010
	RM'000
At 1 January	76,166
Charge for the year	6,744
Written off	(2,933)
Reversal of impairment losses	(1,657)
Exchange differences	(295)
At 31 December	78,025

(b) Amount due from subsidiaries

Other receivables that are impaired

At the reporting date, the Company has provided an allowance of RM6,574,000 (2009: RM6,967,000) for impairment of the unsecured loan to subsidiaries with a nominal amount of RM6,594,000 (31.12.2009: RM22,015,000). These subsidiaries has been suffering significant financial losses.

Notes to the Financial Statements 31 December 2010 (contd.)

20. GOODWILL

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
At beginning of financial period	128,728	125,991
Acquisition of subsidiaries (Note 14)	-	9,119
Disposal of subsidiaries (Note 14)	(886)	-
Liquidation of a subsidiary	-	(10)
Reclassification to rock reserves	-	(6,372)
Attributable to disposal group classified as held for sale (Note 24)	(127,842)	-
At end of financial period	-	128,728

During the previous financial period, additional goodwill mainly arose from the acquisition of Totalrubber Ltd. as disclosed in Note 14.

The carrying amounts of goodwill allocated to the Group's cash-generating units (CGUs) are as follows:

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Quarry	40,647	40,647
Construction	77,104	77,104
Building materials	1,411	1,411
Trading	8,673	9,559
Property development	7	7
	127,842	128,728

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 14% (31.12.2009: 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%.

Notes to the Financial Statements 31 December 2010 (contd.)

21. INVENTORIES

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Completed development properties	25,885	40,615
Raw materials	9,953	12,321
Spare parts	7,677	7,910
Finished goods	91,755	94,362
Work in progress	2,920	6,517
Trading inventories	78,819	73,900
Assets held for resale	20,711	69,263
Attributable to disposal group classified as held for sale (Note 24)	(237,720)	-
	-	304,888

22. DERIVATIVES

	Group 31.12.2010 RM'000		
	Contract/ Notional Amount	Assets	Liabilities
Non-hedging derivatives:			
Current			
Forward currency contract	150,289	12,484	-
Interest rate swap	7,263	-	(279)
	157,552	12,484	(279)
Attributable to disposal group classified as held for sale (Note 24)	(157,552)	(12,484)	279
	-	-	-
Non-current			
Interest rate swap	25,447	-	(133)
Attributable to disposal group classified as held for sale (Note 24)	(25,447)	-	133
	-	-	-
Total derivatives	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

22. DERIVATIVES (contd.)

	Company 31.12.2010 RM'000	
	Contract/ Notional Amount	Liabilities
Non-hedging derivatives:		
Current		
Interest rate swap	7,263	(279)
	7,263	(279)
Attributable to disposal group classified as held for sale (Note 24)	(7,263)	279
	-	-
Non-current		
Interest rate swap	25,447	(133)
Attributable to disposal group classified as held for sale (Note 24)	(25,447)	133
	-	-
Total derivatives	-	-

The Group entered into foreign currency forward contracts and interest rate swap contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The interest rate swap is used to hedge its interest rate risk arising from a floating rate bank loan amounting to RM32.7 million. This interest rate swap receives floating interest which is linked to KLIBOR and pays a fixed rate of interest of 4.06%.

During the financial year, the Group recognised a gain of RM14.5 million arising from fair value changes of derivatives. The fair value changes are attributable to changes in prevailing foreign currency market rates and the difference between the floating and fixed interest rates applied to the swap. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 36.

Notes to the Financial Statements 31 December 2010 (contd.)

23. CASH AND CASH EQUIVALENTS (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Deposits with:				
Licensed banks	115,702	86,526	4,850	11,151
Other financial institutions	4,084	1,817	-	-
Cash at bank and cash in hand	137,356	116,105	669	765
Total cash and bank balances	257,142	204,448	5,519	11,916
Bank overdrafts	(11,253)	(25,327)	-	-
Cash and cash equivalents	245,889	179,121	5,519	11,916
Attributable to disposal group				
classified as held for sale (Note 24)	(245,889)	4,219	(5,519)	-

Deposits with licensed banks amounting to RM4,850,000 (31.12.2009: RM11,151,000) are to be deposited into a Debt Service Reserve Account as 6 months interest throughout the tenor of the syndicated term loan of RM200,000,000 (31.12.2009: RM313,753,000).

The currency exposure profile of deposits, bank and cash balances is as follows:

- Ringgit Malaysia (RM)	62,182	82,818	5,498	11,882
- Singapore Dollar (SGD)	66,774	21,794	-	-
- US Dollar (USD)	6,686	4,562	11	24
- Indonesian Rupiah (INR)	544	796	-	-
- Vietnam Dong (VND)	4,634	3,378	-	-
- Renminbi (RMB)	23,107	30,050	10	10
- Indian Rupee (IR)	27,977	14,740	-	-
- Euro (EURO)	19	1,130	-	-
- Hong Kong Dollar (HKD)	17	-	-	-
- Japanese Yen (JPY)	7	88	-	-
- Trinidad and Tobago Dollar (TTD)	9,588	13,245	-	-
- Thai Baht (THB)	6,375	6,282	-	-
- Australian Dollar (AUD)	307	175	-	-
- United Arab Emirates Dirham (AED)	48,925	29,609	-	-
	257,142	208,667	5,519	11,916

Notes to the Financial Statements 31 December 2010 (contd.)

23. CASH AND CASH EQUIVALENTS (contd.)

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
The currency exposure profile of bank overdrafts are as follows:				
- Ringgit Malaysia (RM)	(5,324)	(15,705)	-	-
- Singapore Dollar (SGD)	(4,071)	(6,824)	-	-
- Australian Dollar (AUD)	(1,858)	(2,798)	-	-
	(11,253)	(25,327)	-	-

The weighted average interest rates per annum of deposits and bank overdrafts that were effective as at balance sheet date were as follows:

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	%	%	%	%
Deposits with licensed banks	2.15	2.66	2.70	2.05
Deposits with other financial institutions	2.29	1.95	-	-
Bank overdrafts	4.80	6.87	-	-

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 Accounts (opened and maintained under Section 7A of the Housing Development (Control and Licensing) Act, 1966) of RM5,274,538 (31.12.2009: RM739,977) that may only be used in accordance with the said Act.

Deposits of the Group and of the Company have an average maturity of 45 days (31.12.2009: 76 days) and 92 days (31.12.2009: 56 days) respectively.

Notes to the Financial Statements 31 December 2010 (contd.)

24. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

31.12.2010

On 24 November 2010, the Company announced that the Board had received a letter from Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("Sunway"), which sets out Sunway's offer to acquire all of the business and undertaking of the Company as carried on by the Company as at the date hereof, including all Assets and Liabilities of the Company.

On 18 January 2011, the Company announced that it had entered into a conditional Sale of Business Agreement ("SBA") with Sunway in relation to the proposed disposal of the entire business and undertaking including all the assets and liabilities of the Company.

Further details on the proposed disposal is disclosed in Note 40(d) to the financial statements.

As at 31 December 2010, the assets and liabilities of the Group and the Company have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale", and its results are presented on the income statements and statements of comprehensive income under the "Discontinued Operations" header. The above transaction has yet to be completed as at the date on which the financial statements of the Group and of the Company for the financial year ended 31 December 2010 were authorised for issue by the Board of Directors.

Notes to the Financial Statements 31 December 2010 (contd.)

24. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)**31.12.2010**Statements of financial position disclosures

The assets and liabilities of the Group and the Company classified as held for sale and the related reserves as at 31 December 2010 are as follows:

	Note	Group RM'000
Assets		
Non-current assets		
Property, plant and equipment	11	384,178
Investment properties	12	49,844
Rock reserves	13	9,314
Interest in associates	15	67,197
Other investments	16	1,711
Interest in jointly controlled entities	17	367,546
Land held for property development	18	119,084
Receivables	19	19,669
Goodwill	20	127,842
Deferred tax assets	30	14,194
		1,160,579
Current assets		
Property development costs	18	88,572
Inventories	21	237,720
Trade and other receivables	19	704,130
Derivatives	22	12,484
Tax recoverable		20,967
Cash and bank balances	23	257,142
		1,321,015
Assets of disposal group classified as held for sale		2,481,594

Notes to the Financial Statements 31 December 2010 (contd.)

24. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)

31.12.2010

Statements of financial position disclosures (contd.)

	Note	Group RM'000
Liabilities		
Non-current liabilities		
Borrowings	28	398,984
Deferred tax liabilities	30	17,435
Derivatives	22	133
		416,552
Current liabilities		
Payables	31	805,687
Borrowings	28	200,336
Tax payable		25,809
Derivatives	22	279
		1,032,111
Liabilities directly associated with disposal group classified as held for sale		1,448,663
Reserves		
Capital reserves	27	34,137
Capital redemption reserve	27	203
Foreign currency reserve	27	(12,317)
Statutory reserve	27	618
Revaluation reserve	27	22,501
Share option reserve	27	2,201
		47,343
Contingent liabilities associated with disposal group classified as held for sale	34	1,377,321

Notes to the Financial Statements 31 December 2010 (contd.)

24. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)**31.12.2010**

Statements of financial position disclosures (contd.)

	Note	Company RM'000
Assets		
Non-current assets		
Property, plant and equipment	11	58
Investments in subsidiaries	14	815,969
Other investments	16	143
		816,170
Current assets		
Trade and other receivables	19	36,643
Tax recoverable		5,429
Cash and bank balances	23	5,519
		47,591
Assets of disposal group classified as held for sale		863,761
Liabilities		
Non-current liabilities		
Borrowings	28	282,500
Derivatives	22	133
		282,633
Current liabilities		
Payables	31	192,883
Borrowings	28	2,500
Derivatives	22	279
		195,662
Liabilities directly associated with disposal group classified as held for sale		478,295
Contingent liabilities associated with disposal group classified as held for sale	34	1,184,510

Notes to the Financial Statements 31 December 2010 (contd.)

24. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (contd.)

31.12.2009

The major classes of assets and liabilities classified as held for sale on the statement of financial position as at 31 December 2009 are as follows:

	Group RM'000
Assets	
Property, plant and equipment	15,793
Other investments	52
Inventories	75
Receivables	1,753
Cash and bank balances	4,219
	21,892
Liabilities	
Payables	3,676

Disposal group classified as held for sale is in relation to the disposal of subsidiaries as disclosed in Note 14. This disposal was completed on 29 June 2010.

25. SHARE CAPITAL

	Group / Company Number of Shares of RM1 each		Group / Company	
	31.12.2010 '000	31.12.2009 '000	31.12.2010 RM'000	31.12.2009 RM'000
Authorised:				
Ordinary shares of RM1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid:				
Ordinary shares of RM1 each:				
At beginning of period	600,808	547,959	600,808	547,959
Issued during the period				
pursuant to ESOS	5,847	504	5,847	504
Issued during the period				
pursuant to exercise of warrants	44	5	44	5
Issued during the period				
pursuant to private placement	-	52,340	-	52,340
At end of period	606,699	600,808	606,699	600,808

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM600,808,258 to RM606,699,755 by way of the issuance of:

- (i) new ordinary shares of RM1.00 each pursuant to the Employees' Share Option Scheme at the following exercise price per ordinary share for cash:

No. of new ordinary shares	Exercise price per share (RM)
4,866,250	1.00
564,000	1.21
56,250	1.48
201,000	1.75
50,000	1.87
109,750	1.88

- (ii) 44,247 new ordinary shares of RM1.00 each pursuant to the exercise of Warrants 2009/2014 at an exercise price of RM1.30 per ordinary share for cash.

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

- (b) During the financial year, the Company did not repurchase its issued ordinary shares from the open market.

As at 31 December 2010, the Company held a total of 24,688,300 ordinary shares as treasury shares out of its total issued and paid up share capital of 606,699,755 ordinary shares. Such treasury shares are held at a carrying amount of RM32,145,538.

- (c) On 7 November 2002, the Company implemented an Employees' Share Option Scheme ("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.

The main features of the ESOS are:

- (i) 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;

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

- (c) (ii) 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;
- (iii) The ESOS shall continue to be in force for a period of ten years from 7 November 2002;
- (iv) The options over ordinary shares can be exercised by notice in writing on any working day for the duration of the option period;
- (v) The price at which the employees are entitled to take up shares under the ESOS will be based on the five (5) day weighted average market price of the underlying shares at time of the option is granted, with a discount of not more than ten percent (10%) if deemed appropriate or the par value of the Company's shares, whichever is higher;
- (vi) 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.

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

		Number of options over ordinary shares			
	At beginning of financial period '000	Granted '000	Exercised '000	Cancelled '000	At and of financial period '000
At 31.12.2010					
First offer	15,329	-	(4,481)	(6)	10,842
Second offer	1,792	-	(564)	(54)	1,174
Third offer	1,225	-	-	-	1,225
Fourth offer	1,777	-	(201)	(5)	1,571
Fifth offer	945	-	(385)	(4)	556
Sixth offer	3,534	-	(110)	(198)	3,226
Seventh offer	150	-	(50)	-	100
Eighth offer	171	-	(56)	-	115
	24,923	-	(5,847)	(267)	18,809

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

Set out below are details of options over the ordinary shares of the Company granted under the ESOS: (contd.)

	At beginning of financial period '000	Number of options over ordinary shares			At and of financial period '000
		Granted '000	Exercised '000	Cancelled '000	
At 31.12.2009					
First offer	15,959	-	(404)	(226)	15,329
Second offer	2,093	-	(14)	(287)	1,792
Third offer	1,225	-	-	-	1,225
Fourth offer	1,957	-	-	(180)	1,777
Fifth offer	1,099	-	(86)	(68)	945
Sixth offer	4,213	-	-	(679)	3,534
Seventh offer	150	-	-	-	150
Eighth offer	171	-	-	-	171
	26,867	-	(504)	(1,440)	24,923

	31.12.2010 '000	31.12.2009 '000
Number of options over ordinary shares vested at balance sheet date	18,809	24,923

Details of share options outstanding at the end of the period:

	Exercise Price RM/share	Exercise Period
31.12.2010 / 31.12.2009		
First offer	1.00	07.11.2002 to 06.11.2012
Second offer	1.21	09.09.2004 to 06.11.2012
Third offer	1.58	31.01.2004 to 06.11.2012
Fourth offer	1.75	13.03.2004 to 06.11.2012
Fifth offer	1.00	07.10.2005 to 06.11.2012
Sixth offer	1.88	16.10.2007 to 06.11.2012
Seventh offer	1.87	07.12.2007 to 06.11.2012
Eighth offer	1.48	05.05.2008 to 06.11.2012

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

(d) Details relating to options over ordinary shares exercised during the financial period 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	
			31.12.2010 '000	31.12.2009 '000
19.06.2009	1.18	1.00	-	79
03.08.2009	1.39	1.00	-	5
14.08.2009	1.52	1.00	-	52
20.08.2009	1.44	1.00	-	270
05.10.2009	1.38	1.00	-	25
05.10.2009	1.38	1.21	-	14
23.10.2009	1.44	1.00	-	33
19.11.2009	1.37	1.00	-	26
15.01.2010	1.47	1.00	20	-
22.01.2010	1.41	1.00	63	-
29.01.2010	1.33	1.00	20	-
11.02.2010	1.36	1.00	40	-
05.03.2010	1.39	1.00	5	-
19.03.2010	1.55	1.00	200	-
25.03.2010	1.52	1.00	233	-
25.03.2010	1.52	1.21	5	-
01.04.2010	1.49	1.00	115	-
12.04.2010	1.68	1.00	38	-
13.04.2010	1.60	1.00	50	-
14.04.2010	1.63	1.00	97	-
16.04.2010	1.58	1.00	12	-
06.05.2010	1.46	1.21	20	-
18.06.2010	1.53	1.00	10	-
22.07.2010	1.50	1.00	20	-
02.08.2010	1.62	1.00	75	-
09.08.2010	1.64	1.00	110	-
13.08.2010	1.65	1.00	70	-
20.08.2010	1.66	1.00	57	-
26.08.2010	1.60	1.00	35	-
13.09.2010	1.73	1.00	15	-
20.09.2010	1.77	1.00	70	-
20.09.2010	1.77	1.21	14	-
24.09.2010	1.79	1.00	327	-
01.10.2010	1.93	1.00	36	-
01.10.2010	1.93	1.21	4	-
01.10.2010	1.93	1.48	11	-

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

(d) Details relating to options over ordinary shares exercised during the financial period are as follows (contd.):

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of options over ordinary shares issued	
			31.12.2010 '000	31.12.2009 '000
01.10.2010	1.93	1.75	6	-
07.10.2010	1.98	1.00	1,007	-
12.10.2010	1.99	1.00	215	-
12.10.2010	1.99	1.21	24	-
15.10.2010	1.97	1.00	310	-
15.10.2010	1.97	1.21	80	-
22.10.2010	1.98	1.00	189	-
22.10.2010	1.98	1.21	81	-
22.10.2010	1.98	1.48	6	-
01.11.2010	1.99	1.00	67	-
08.11.2010	2.09	1.00	113	-
08.11.2010	2.09	1.21	20	-
08.11.2010	2.09	1.48	23	-
12.11.2010	2.12	1.00	108	-
12.11.2010	2.12	1.21	175	-
12.11.2010	2.12	1.88	11	-
19.11.2010	2.19	1.00	567	-
19.11.2010	2.19	1.21	48	-
19.11.2010	2.19	1.48	16	-
19.11.2010	2.19	1.75	20	-
19.11.2010	2.19	1.88	5	-
26.11.2010	2.29	1.00	222	-
26.11.2010	2.29	1.21	40	-
26.11.2010	2.29	1.75	70	-
26.11.2010	2.29	1.88	74	-
03.12.2010	2.25	1.00	166	-
03.12.2010	2.25	1.75	5	-
03.12.2010	2.25	1.88	15	-
10.12.2010	2.24	1.00	80	-
10.12.2010	2.24	1.87	50	-
17.12.2010	2.26	1.00	39	-
17.12.2010	2.26	1.21	10	-
17.12.2010	2.26	1.75	80	-
24.12.2010	2.25	1.00	65	-
24.12.2010	2.25	1.21	43	-

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

(d) Details relating to options over ordinary shares exercised during the financial period are as follows (contd.):

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of options over ordinary shares issued	
			31.12.2010 '000	31.12.2009 '000
24.12.2010	2.25	1.75	20	-
24.12.2010	2.25	1.88	5	-
			5,847	504
			31.12.2010 RM'000	31.12.2009 RM'000
Ordinary share capital - at par			5,847	504
Share premium			437	2
			6,284	506
Proceeds received on exercise of options over ordinary shares			6,284	505
Market value at exercise date of shares issued			11,417	704

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.

- (e) On 1 January 2009, Sunway Global Limited ("Sunway Global"), a 76.93%-owned subsidiary of the Company, implemented an Employees' Share Option Scheme ("Sunway Global ESOS") to the eligible employees (including Executive Directors) of the Company, Sunway Global and its subsidiaries. The Sunway Global ESOS is governed by the by-laws which were approved by Sunway Global's shareholders on 1 January 2009.

The main features of the Sunway Global ESOS are:

- (i) The total number of ordinary shares to be issued by Sunway Global under the Sunway Global ESOS shall not exceed 20% of the total issued and paid-up ordinary share capital of Sunway Global at any point in time during the duration of the Sunway Global ESOS;

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

- (e) (ii) The basis of eligibility for the grant of Sunway Global ESOS shall be determined by the Sunway Global Board of Directors from time to time on the basis of their contribution to the development and growth of Sunway Global and its subsidiaries;
- (iii) The Sunway Global ESOS shall continue to be in force for a period of five years from 1 January 2009;
- (iv) The holding period for the Sunway Global ESOS shall be for a period of three (3) years from 1 January 2009 to 31 December 2011 ("Holding Period");
- (v) The options over ordinary shares can be exercised by notice in writing on any working day after the expiration of the Holding Period;
- (vi) The price at which the employees are entitled to take up shares under the Sunway Global ESOS will be based on the par value of the Sunway Global's shares; and
- (vii) Options over ordinary shares granted under the Sunway Global 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 Sunway Global.

Set out below are details of options over the ordinary shares of Sunway Global granted under the Sunway Global ESOS:

	Number of options over ordinary shares				
	At beginning of financial period/year '000	Granted '000	Exercised '000	Cancelled '000	At end of financial period/year '000
At 31.12.2010					
First offer	43,786	-	-	-	43,786
Second offer	7,280	-	-	-	7,280
Third offer	7,280	-	-	-	7,280
	58,346	-	-	-	58,346
At 31.12.2009					
First offer	-	43,786	-	-	43,786
Second offer	-	7,280	-	-	7,280
Third offer	-	7,280	-	-	7,280
	-	58,346	-	-	58,346

Notes to the Financial Statements 31 December 2010 (contd.)

25. SHARE CAPITAL (contd.)

(e)	31.12.2010 RM'000	31.12.2009 RM'000
Number of options over ordinary shares vested at balance sheet date	58,346	58,346

Details of share options outstanding at the end of the financial period:

	Exercise Price HKD/share	Grant date	Exercise Period
31.12.2010/ 31.12.2009			
First offer	1.00	01.01.2009	01.01.2012 to 31.12.2013
Second offer	1.00	06.10.2009	01.01.2012 to 31.12.2013
Third offer	1.00	06.10.2009	01.01.2012 to 31.12.2013

The fair value of share options granted during the previous financial period was estimated using a binomial model, taking into account the terms and conditions upon which the options were granted.

The fair value of share options measured at grant date and the assumptions are as follows:

	First offer	Second and Third
Share price at grant date	HKD0.39	HKD0.69
Exercise price	HKD1.00	HKD1.00
Contractual life	5 years	4.25 years
Expected volatility	58.59%	65.71%
Risk-free interest rate	1.22%	1.49%

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices of comparable listed stocks.

The fair value of share options is recognised as expense in profit or loss over its 3-year holding period.

Notes to the Financial Statements 31 December 2010 (contd.)

26. WARRANTS

On 5 March 2009, the Company issued 246,655,262 new warrants (Warrants 2009/2014) at an issue price of RM0.02 per warrant for cash on the basis of:

- i) one (1) new warrant for every three (3) ordinary shares of RM1.00 each held in the Company;
- ii) one (1) new warrant for every three (3) options granted under the Company's Employees' Share Option Scheme; and
- iii) one (1) new warrant for every three (3) Warrants 2004/2008 held on 17 October 2008.

The new warrants entitle the registered holder, at any time within a period of 5 years commencing on and including the issue date and expiring on 4 March 2014, to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.30 per ordinary share for every warrant held.

During the financial year, the movements in the Company's warrants are as follows:

	Group/Company Number of Warrants 2004/2008		Group/Company Amount	
	31.12.2010 '000	31.12.2009 '000	31.12.2010 RM'000	31.12.2009 RM'000
At beginning of period	-	196,981	-	8,777
Exercised during the period	-	(5)	-	-
Expired during the period	-	(196,976)	-	(8,777)
At end of period	-	-	-	-

	Group/Company Number of Warrants 2009/2014		Group/Company Amount	
	31.12.2010 '000	31.12.2009 '000	31.12.2010 RM'000	31.12.2009 RM'000
At beginning of period	246,655	-	3,810	-
Issued during the period	-	246,655	-	3,810
Exercised during the period	(44)	-	(1)	-
At end of period	246,611	246,655	3,809	3,810

Notes to the Financial Statements 31 December 2010 (contd.)

27. RESERVES

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Non-distributable:				
Share premium	218,056	217,605	218,056	217,605
Capital reserves	34,137	34,137	-	-
Capital redemption reserve	203	50	-	-
Merger relief reserve	49,615	49,615	49,615	49,615
Foreign currency reserve	(12,317)	(3,029)	-	-
Statutory reserve	618	-	-	-
Revaluation reserves	22,501	-	-	-
Share option reserves	3,598	2,611	1,397	1,422
	316,411	300,989	269,068	268,642
Less: Attributable to reserves of disposal group classified as held for sale	(47,343)	-	-	-
	269,068	300,989	269,068	268,642
Distributable:				
Retained earnings/ (Accumulated losses)	42,183	(102,501)	(461,964)	(452,024)
	311,251	198,488	(192,896)	(183,382)

(a) Capital reserves

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

(b) Capital redemption reserve

Capital redemption reserve arises from the redemption of cumulative redeemable preference shares in accordance with Section 61(5) of Companies Act, 1965.

(c) Merger relief reserve

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

Notes to the Financial Statements 31 December 2010 (contd.)

27. RESERVES (contd.)**(d) Foreign currency reserve**

Foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(e) Statutory reserve

Statutory reserve represents the 10% of accumulated gains recognised in the People's Republic of China subsidiaries' income statement, which is undistributable.

According to the Articles of Association of the subsidiaries, when distributing net profit of each year, the subsidiaries shall set aside 10% of its after tax profits for the statutory common reserve fund (except where the fund has reached 50% of the subsidiaries' registered capital) and 5% to 10% of after tax profits for the statutory common welfare fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

(f) Revaluation reserves

Revaluation reserves represents increase in the fair value of land and investment properties of an associated company.

(g) Share option reserves

Share option reserves represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Current				
Secured				
Bank overdrafts	2,126	3,548	-	-
Term loans	54,957	36,920	-	-
Finance lease and hire purchase obligations	4,154	1,761	-	-
Bankers' acceptance	2,401	4,054	-	-
Revolving credits	39,413	48,048	-	-
Bills discounting	10,261	-	-	-
	113,312	94,331	-	-
Unsecured				
Bank overdrafts	9,127	21,779	-	-
Term loans	12,095	78,036	2,500	54,521
Bankers' acceptance	41,700	48,541	-	-
Revolving credits	14,100	26,897	-	-
Export credit financing	-	1,495	-	-
Block discount creditors	10,002	10,393	-	-
	87,024	187,141	2,500	54,521
Attributable to disposal group classified as held for sale (Note 24)	(200,336)	-	(2,500)	-
Total current borrowings	-	281,472	-	54,521

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Non-current				
Secured				
Term loans	62,679	83,590	-	-
Revolving credits	15,000	-	-	-
Finance lease and hire purchase obligations	11,634	2,522	-	-
	89,313	86,112	-	-
Unsecured				
Term loans	208,480	305,259	197,500	259,232
Medium term notes	85,000	-	85,000	-
Block discount creditors	16,191	20,107	-	-
	309,671	325,366	282,500	259,232
Attributable to disposal group classified as held for sale (Note 24)	(398,984)	-	(282,500)	-
Total non-current borrowings	-	411,478	-	259,232
Total borrowings	-	692,950	-	313,753

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Secured bank borrowings of the Group are secured by freehold and leasehold land, buildings, plant and machinery of the Group as disclosed in Note 11.

The outstanding balance of the syndicated term loan of the Group and Company from the previous financial period was repaid and refinanced with a combination of a new syndicated term loan of RM200 million and via an issuance of RM85 million medium term notes (MTN) during the financial year. The new syndicated term loan and MTN contains covenants which require the Group to maintain minimum net gearing ratio, net debt to earnings before interest, tax, depreciation and amortisation, and debt service cover ratio.

The weighted average interest rates per annum of borrowings that was effective as at balance sheet date were as follows:

	Group		Company	
	31.12.2010 %	31.12.2009 %	31.12.2010 %	31.12.2009 %
Term loans	5.21	4.77	4.81	4.30
Medium term notes	4.08	-	4.08	-
Finance lease and hire purchase obligations	5.75	4.47	-	-
Revolving credits	4.75	3.98	-	-
Bankers' acceptance	3.70	3.02	-	-
Export credit refinancing	-	3.30	-	-
Bills discounting	4.22	-	-	-
Block discount creditors	5.14	5.28	-	-

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.

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 period is 2.96% (31.12.2009: 3.09%) per annum. After the interest rate swaps, the Company's weighted average effective rate during the financial period is 4.06% (31.12.2009: 5.06%) per annum.

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The currency exposure profile of borrowings is as follows:				
- Ringgit Malaysia (RM)	484,362	547,493	285,000	313,753
- Singapore Dollar (SGD)	33,285	36,590	-	-
- Vietnam Dong (VND)	-	650	-	-
- Renminbi (RMB)	62,107	65,702	-	-
- US Dollar (USD)	3,305	17,217	-	-
- Japanese Yen (YEN)	745	-	-	-
- Trinidad and Tobago Dollar (TTD)	12,946	19,171	-	-
- Euro (EURO)	-	2,226	-	-
- Australian Dollar (AUD)	2,570	3,901	-	-
	599,320	692,950	285,000	313,753

The carrying amounts of borrowings of the Group and the Company at the reporting date approximated their fair values except as set out below:

	31.12.2010		31.12.2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Finance lease and hire purchase obligations	15,788	15,668	4,283	4,236
Block discount creditors	26,193	25,051	30,500	29,870

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Finance lease and hire purchase obligations are repayable in the following periods:		
Not later than 1 year	4,970	1,953
Later than 1 year and not later than 5 years	12,878	2,783
	17,848	4,736
Less: Future finance charges	(2,060)	(453)
	15,788	4,283
Representing finance lease and hire purchase obligations:		
Not later than 1 year	4,154	1,761
Later than 1 year and not later than 5 years	11,634	2,522
	15,788	4,283

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Secured								
Term loans:								
Floating rate								
RM	4.65	19,401	-	-	-	-	-	19,401
RM	4.85	1,694	800	123	-	-	-	2,617
RM	7.55	1,600	176	-	-	-	-	1,776
RM	4.75	1,000	2,500	1,000	-	-	-	4,500
RM	4.25	1,000	1,667	-	-	-	-	2,667
RM	7.30	1,999	1,999	1,999	1,999	242	-	8,238
RMB	8.24	21,616	3,847	5,974	8,649	7,868	-	47,954
TTD	7.50	4,315	4,315	4,315	-	-	-	12,945
SGD	5.50	455	455	455	455	455	2,876	5,151
SGD	1.81	598	598	598	598	598	2,742	5,732
Fixed rate								
RM	7.30	700	798	218	-	-	-	1,716
RM	4.05	579	579	579	579	579	2,044	4,939
		54,957	17,734	15,261	12,280	9,742	7,662	117,636

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Secured (contd.)								
Bank overdrafts:								
Floating rate								
AUD	10.50	1,857	-	-	-	-	-	1,857
Fixed rate								
RM	2.50	269	-	-	-	-	-	269
		2,126	-	-	-	-	-	2,126

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Secured (contd.)								
Finance lease and hire purchase obligations:								
Fixed rate								
RM	2.52	16	-	-	-	-	-	16
RM	4.00	38	40	12	-	-	-	90
SGD	3.00	86	50	-	-	-	-	136
SGD	3.25	227	208	36	-	-	-	471
SGD	3.15	59	59	55	-	-	-	173
SGD	6.50	1,097	1,070	-	-	-	-	2,167
AUD	8.70	311	244	75	81	-	-	711
Floating rate								
RM	3.17	2,320	2,406	2,551	2,797	1,950	-	12,024
		4,154	4,077	2,729	2,878	1,950	-	15,788

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Secured (contd.)								
Bankers' acceptance:								
Floating rate								
RM	3.87	1,656	-	-	-	-	-	1,656
Fixed rate								
RM	3.16	745	-	-	-	-	-	745
		2,401	-	-	-	-	-	2,401
Revolving credits:								
Floating rate								
RM	4.35	20,260	-	-	-	-	-	20,260
RM	4.86	5,000	5,000	5,000	5,000	-	-	20,000
RMB	5.43	14,153	-	-	-	-	-	14,153
		39,413	5,000	5,000	5,000	-	-	54,413

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Secured (contd.)								
Bills								
discounting:								
Floating rate								
RM	4.22	10,261	-	-	-	-	-	10,261

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
Term loans:								
Floating rate								
RM	4.84	938	7,500	21,563	28,125	16,874	-	75,000
RM	4.82	938	7,500	21,563	28,125	16,874	-	75,000
RM	4.75	625	5,000	14,375	18,750	11,250	-	50,000
RM	4.85	4,200	4,200	4,200	1,457	-	-	14,057
SGD	6.00	390	-	-	-	-	-	390
SGD	3.06	4,725	-	-	-	-	-	4,725
Fixed rate								
RM	8.30	279	279	279	279	287	-	1,403
		12,095	24,479	61,980	76,736	45,285	-	220,575

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Medium								
term notes:								
Fixed rate								
RM	3.90	-	-	25,000	-	-	-	25,000
RM	4.10	-	-	-	30,000	-	-	30,000
RM	4.20	-	-	-	-	30,000	-	30,000
		-	-	25,000	30,000	30,000	-	85,000

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Bank overdrafts:								
Floating rate								
RM	6.30	399	-	-	-	-	-	399
RM	7.55	1,251	-	-	-	-	-	1,251
SGD	6.00	4,071	-	-	-	-	-	4,071
Fixed rate								
RM	7.80	2,245	-	-	-	-	-	2,245
RM	8.10	1,161	-	-	-	-	-	1,161
		9,127	-	-	-	-	-	9,127

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Revolving credits:								
Floating rate								
RM	4.13	2,500	-	-	-	-	-	2,500
RM	4.74	9,600	-	-	-	-	-	9,600
Fixed rate								
RM	4.49	2,000	-	-	-	-	-	2,000
		14,100	-	-	-	-	-	14,100

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Bankers'								
acceptance:								
Floating rate								
SGD	2.40	3,360	-	-	-	-	-	3,360
SGD	4.50	10,211	-	-	-	-	-	10,211

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Bankers'								
acceptance:								
(contd.)								
Fixed rate								
RM	3.55	887	-	-	-	-	-	887
RM	3.56	3,142	-	-	-	-	-	3,142
RM	3.50	1,511	-	-	-	-	-	1,511
RM	3.51	5,835	-	-	-	-	-	5,835
RM	3.63	844	-	-	-	-	-	844
RM	3.58	1,817	-	-	-	-	-	1,817
RM	3.68	589	-	-	-	-	-	589
RM	3.52	1,315	-	-	-	-	-	1,315
RM	3.53	5,761	-	-	-	-	-	5,761
RM	3.57	1,276	-	-	-	-	-	1,276
RM	3.46	676	-	-	-	-	-	676
RM	3.54	1,628	-	-	-	-	-	1,628
RM	3.41	550	-	-	-	-	-	550
RM	3.00	701	-	-	-	-	-	701
RM	3.10	1,597	-	-	-	-	-	1,597
		41,700	-	-	-	-	-	41,700

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Block discount								
creditors:								
Fixed rate								
RM	5.74	82	-	-	-	-	-	82
RM	5.35	54	-	-	-	-	-	54
RM	5.68	22	-	-	-	-	-	22
RM	5.98	7	-	-	-	-	-	7
RM	6.03	117	-	-	-	-	-	117
RM	5.96	1,270	-	-	-	-	-	1,270
RM	5.61	274	-	-	-	-	-	274
RM	5.58	70	18	-	-	-	-	88
RM	5.51	6	1	-	-	-	-	7
RM	5.67	74	-	-	-	-	-	74
RM	5.87	164	86	-	-	-	-	250
RM	6.18	58	30	-	-	-	-	88
RM	5.73	63	39	-	-	-	-	102
RM	5.49	192	203	-	-	-	-	395
RM	5.40	125	87	-	-	-	-	212
RM	5.30	36	38	16	-	-	-	90
RM	5.20	1,266	1,337	-	-	-	-	2,603
RM	5.14	716	757	328	-	-	-	1,801
RM	5.43	6	6	3	-	-	-	15
RM	5.32	468	495	329	-	-	-	1,292
RM	5.31	120	115	94	-	-	-	329
RM	5.06	415	439	372	21	-	-	1,247
RM	5.08	291	308	216	-	-	-	815
RM	5.02	2,074	2,196	2,318	832	-	-	7,420

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2010	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2010								
Unsecured								
(contd.)								
Block discount								
creditors:								
(contd.)								
Fixed rate								
RM	5.07	395	418	323	26	-	-	1,162
RM	5.11	102	108	66	-	-	-	276
RM	7.70	91	97	102	66	-	-	356
RM	6.59	638	674	712	748	128	-	2,900
RM	6.88	75	80	84	88	15	-	342
RM	7.67	334	354	374	96	-	-	1,158
RM	7.57	39	42	44	11	-	-	136
RM	7.18	148	157	166	101	-	-	572
RM	7.42	210	223	125	68	11	-	637
		10,002	8,308	5,672	2,057	154	-	26,193

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Secured								
Term loans								
Floating rate								
RM	3.70	1,000	1,000	1,000	667	-	-	3,667
RM	4.05	2,140	1,694	800	123	-	-	4,757
RM	4.20	750	1,000	1,250	1,250	1,000	-	5,250
RM	5.08	10,485	5,240	-	-	-	-	15,725
RM	6.80	1,600	1,600	175	-	-	-	3,375
SGD	5.08	464	464	464	464	464	3,400	5,720
Fixed rate								
RM	4.05	579	579	579	579	579	2,620	5,515
RM	5.96	1,583	1,583	1,583	1,583	1,583	1,080	8,995
RM	6.55	798	798	776	-	-	-	2,372
RMB	6.25	12,160	12,182	12,145	8,172	1,304	-	45,963
TTD	9.00	5,361	5,361	5,361	3,088	-	-	19,171
		36,920	31,501	24,133	15,926	4,930	7,100	120,510
Bank overdrafts:								
Fixed rate								
RM	7.05	750	-	-	-	-	-	750
AUD	10.70	2,798	-	-	-	-	-	2,798
		3,548	-	-	-	-	-	3,548

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Secured (contd.)								
Finance lease and hire purchase obligations:								
Fixed rate								
RM	2.30	12	-	-	-	-	-	12
RM	2.60	63	-	-	-	-	-	63
RM	4.83	22	18	-	-	-	-	40
RM	2.42	19	-	-	-	-	-	19
RM	2.43	16	-	-	-	-	-	16
RM	3.59	-	23	-	-	-	-	23
RMB	4.25	241	-	-	-	-	-	241
SGD	2.88	806	806	694	-	-	-	2,306
SGD	3.00	88	88	47	-	-	-	223
SGD	3.25	85	85	66	-	-	-	236
AUD	8.70	409	190	296	209	-	-	1,104
		1,761	1,210	1,103	209	-	-	4,283

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Secured (contd.)								
Bankers' acceptance:								
Floating rate								
RM	3.21	1,394	-	-	-	-	-	1,394
Fixed rate								
RM	3.22	2,660	-	-	-	-	-	2,660
		4,054	-	-	-	-	-	4,054
Revolving credits:								
Floating rate								
RM	3.61	47,398	-	-	-	-	-	47,398
VND	17.00	650	-	-	-	-	-	650
		48,048	-	-	-	-	-	48,048

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
Term loans:								
Floating rate								
RM	4.15	17,504	17,504	17,504	17,504	17,504	13,210	100,730
RM	4.25	7,174	7,174	7,174	7,174	7,174	5,414	41,284
RM	4.32	8,322	8,322	8,322	8,322	8,322	6,280	47,890
RM	4.35	14,348	14,348	14,348	14,348	14,348	10,828	82,568
RM	4.60	11,374	11,374	11,374	11,374	8,631	5,414	59,541
RM	5.08	-	14,000	-	-	-	-	14,000
RMB	6.25	2,754	293	293	293	293	11,556	15,482
SGD	3.06	2,197	2,197	2,197	427	-	-	7,018
SGD	6.00	678	419	-	-	-	-	1,097
USD	6.59	13,685	-	-	-	-	-	13,685
		78,036	75,631	61,212	59,442	56,272	52,702	383,295

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
(contd.)								
Bank overdrafts:								
Floating rate								
RM	6.55	489	-	-	-	-	-	489
RM	6.83	13,722	-	-	-	-	-	13,722
SGD	6.00	4,386	-	-	-	-	-	4,386
Fixed rate								
RM	7.30	75	-	-	-	-	-	75
RM	7.55	649	-	-	-	-	-	649
RM	7.75	21	-	-	-	-	-	21
SGD	6.00	2,437	-	-	-	-	-	2,437
		21,779	-	-	-	-	-	21,779

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
(contd.)								
Revolving								
credits:								
Floating rate								
RM	3.42	3,000	-	-	-	-	-	3,000
RM	4.04	11,400	-	-	-	-	-	11,400
Fixed rate								
RM	4.05	1,600	-	-	-	-	-	1,600
RM	5.27	2,000	-	-	-	-	-	2,000
RMB	4.86	4,015	-	-	-	-	-	4,015
SGD	4.20	4,882	-	-	-	-	-	4,882
		26,897	-	-	-	-	-	26,897

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
(contd.)								
Bankers' acceptance:								
Floating rate								
SGD	2.54	5,797	-	-	-	-	-	5,797
SGD	3.20	8,250	-	-	-	-	-	8,250
Fixed rate								
RM	2.22	758	-	-	-	-	-	758
RM	2.67	532	-	-	-	-	-	532
RM	2.69	611	-	-	-	-	-	611
RM	2.71	2,190	-	-	-	-	-	2,190
RM	2.72	536	-	-	-	-	-	536
RM	2.73	1,644	-	-	-	-	-	1,644
RM	2.74	1,572	-	-	-	-	-	1,572
RM	2.75	1,168	-	-	-	-	-	1,168
RM	2.76	1,398	-	-	-	-	-	1,398
RM	2.78	860	-	-	-	-	-	860
RM	2.79	780	-	-	-	-	-	780
RM	2.80	1,533	-	-	-	-	-	1,533
RM	2.81	3,338	-	-	-	-	-	3,338
RM	3.19	572	-	-	-	-	-	572
RM	3.20	4,061	-	-	-	-	-	4,061
RM	3.21	4,259	-	-	-	-	-	4,259
RM	3.22	1,297	-	-	-	-	-	1,297
RM	3.23	855	-	-	-	-	-	855
RM	3.24	618	-	-	-	-	-	618
RM	3.45	1,215	-	-	-	-	-	1,215
RM	3.46	1,176	-	-	-	-	-	1,176
RM	3.47	1,881	-	-	-	-	-	1,881
RM	3.48	1,640	-	-	-	-	-	1,640
		48,541	-	-	-	-	-	48,541

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
(contd.)								
Block discount creditors								
Fixed rate								
RM	5.02	1,130	1,200	1,271	1,922	-	-	5,523
RM	5.06	1,214	1,289	1,364	1,369	252	-	5,488
RM	5.07	373	395	418	349	-	-	1,535
RM	5.08	275	291	308	216	-	-	1,090
RM	5.11	96	102	108	66	-	-	372
RM	5.14	770	716	757	328	-	-	2,571
RM	5.20	1,194	1,266	1,338	-	-	-	3,798
RM	5.30	34	36	38	16	-	-	124
RM	5.31	114	119	115	94	-	-	442
RM	5.32	439	467	495	330	-	-	1,731
RM	5.35	207	53	-	-	-	-	260
RM	5.40	144	125	87	-	-	-	356
RM	5.43	5	6	6	3	-	-	20
RM	5.48	92	-	-	-	-	-	92
RM	5.49	205	192	203	-	-	-	600
RM	5.51	21	6	1	-	-	-	28
RM	5.52	187	-	-	-	-	-	187
RM	5.58	73	70	18	-	-	-	161
RM	5.61	258	274	-	-	-	-	532
RM	5.63	28	-	-	-	-	-	28
RM	5.67	72	74	-	-	-	-	146
RM	5.68	40	22	-	-	-	-	62
RM	5.73	170	63	50	4	-	-	287
RM	5.74	962	83	-	-	-	-	1,045

Notes to the Financial Statements 31 December 2010 (contd.)

28. BORROWINGS (contd.)

Functional currency	Effective interest rate as at 31.12.2009	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total carrying amount
Group (contd.)	% p.a.	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31.12.2009								
Unsecured								
(contd.)								
Block discount creditors:								
(contd.):								
Fixed rate								
RM	5.87	188	164	86	-	-	-	438
RM	5.93	37	-	-	-	-	-	37
RM	5.94	57	-	-	-	-	-	57
RM	5.96	1,440	1,270	-	-	-	-	2,710
RM	5.98	141	7	-	-	-	-	148
RM	6.03	224	117	-	-	-	-	341
RM	6.18	54	58	30	-	-	-	142
RM	6.26	27	-	-	-	-	-	27
RM	6.31	122	-	-	-	-	-	122
		10,393	8,465	6,693	4,697	252	-	30,500
Export credit refinancing:								
Fixed rate								
RM	3.30	1,495	-	-	-	-	-	1,495

Notes to the Financial Statements 31 December 2010 (contd.)

29. CUMULATIVE REDEEMABLE PREFERENCE SHARES

	Group			
	Number of CRPS of RM0.01 each		Amount	
	31.12.2010 '000	31.12.2009 '000	31.12.2010 RM'000	31.12.2009 RM'000
Cumulative Redeemable Preference Shares ("CRPS") issued by a subsidiary:				
Authorised				
At beginning of the period	100,000	-	1,000	-
Created during the period	-	100,000	-	1,000
At end of the period	100,000	100,000	1,000	1,000
Issued and fully paid				
Nominal value				
At beginning of the period	15,000	-	150	-
Issued during the period	-	20,000	-	200
Redeemed during the period	(15,000)	(5,000)	(150)	(50)
At end of the period	-	15,000	-	150
Share premium				
At beginning of the period			14,850	-
Issued during the period			-	19,800
Redeemed during the period			(14,850)	(4,950)
At end of the period			-	14,850
			-	15,000

During the previous financial period, a subsidiary increased its authorised share capital through the creation of 100,000,000 Cumulative Redeemable Preference Shares ("CRPS") of RM0.01 each.

Subsequently, the subsidiary issued 20,000,000 CRPS of RM0.01 each at an issue price of RM1.00 each for cash for additional working capital purposes.

Notes to the Financial Statements 31 December 2010 (contd.)

29. CUMULATIVE REDEEMABLE PREFERENCE SHARES (contd.)

The salient features of the CRPS are as follows:

- (a) The CRPS holders have the right to a fixed cumulative dividend of 3.5% per annum on the issue price;
- (b) The CRPS holders have the right, on a winding up or repayment of capital, to payment prior to all other shares in the subsidiary;
- (c) The CRPS holders do not carry any right to vote at any general meeting of the subsidiary except on resolution to amend the CRPS holders' rights, resolution on the reduction of capital, resolution on the winding up of the company, or any dividend on the CRPS which has been declared but remains unpaid for twelve months; and
- (d) There is no fixed maturity period for the CRPS. The CRPS holders may at any time during the tenure of the CRPS, give not less than one month notice to the subsidiary to redeem such number of CRPS not exceeding 5,000,000 CRPS at any one time, at the redemption price of RM1.00 per share.

During the financial year, the subsidiary redeemed 15,000,000 CRPS at the redemption price of RM1.00 per CRPS.

30. DEFERRED TAX

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Deferred tax assets	14,194	14,611	-	-
Deferred tax liabilities	(17,435)	(18,139)	-	-
	(3,241)	(3,528)	-	-
Attributable to disposal group classified as held for sale (Note 24)	3,241	-	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

30. DEFERRED TAX (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The movement in deferred tax is shown as follows:				
At beginning of the period	(3,528)	(351)	-	-
(charged)/credited to income statement:				
- property, plant and equipment	1,723	(1,021)	-	-
- rock reserves	229	(2,031)	-	-
- receivables and inventories	654	74	-	-
- lease rental receivables	(1,423)	(1,374)	-	-
- tax losses	(2,852)	2,185	-	-
- others	1,956	720	-	-
Arising from rock reserves	-	(2,124)	-	-
Acquisition of subsidiaries	-	394	-	-
At end of the period	(3,241)	(3,528)	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

30. DEFERRED TAX (contd.)

The components of deferred tax assets and liabilities during the financial period are as follows:

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Deferred tax assets:				
Property, plant and equipment	10,785	8,699	-	-
Receivables and inventories	3,382	2,728	-	-
Tax losses	4,929	7,781	-	-
Others	7,451	5,832	-	-
Deferred tax assets (before offsetting)	26,547	25,040	-	-
Offsetting	(12,353)	(10,429)	-	-
Deferred tax assets (after offsetting)	14,194	14,611	-	-
Deferred tax liabilities:				
Property, plant and equipment	(12,656)	(12,293)	-	-
Rock reserves	(3,926)	(4,155)	-	-
Lease rental receivables	(5,276)	(3,853)	-	-
Others	(7,930)	(8,267)	-	-
Deferred tax liabilities (before offsetting)	(29,788)	(28,568)	-	-
Offsetting	12,353	10,429	-	-
Deferred tax liabilities (after offsetting)	(17,435)	(18,139)	-	-

Notes to the Financial Statements 31 December 2010 (contd.)

31. PAYABLES

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Trade payables	449,632	446,817	3	-
Accruals	100,857	76,899	9,096	6,621
Other payables	144,250	80,885	346	244
Amounts due to customers on contracts (Note 32)	91,888	88,325	-	-
Progress billings in respect of property development	1,271	7,970	-	-
Amounts due to				
- subsidiaries (non-trade)	-	-	183,438	184,852
- associates (trade)	945	621	-	-
Advance from minority shareholder of a subsidiary	-	802	-	-
Provision for liabilities (Note 6)	16,844	-	-	-
Less: Attributable to disposal group classified as held for sale (Note 24)	(805,687)	-	(192,883)	-
	-	702,319	-	191,717
Total payables	805,687	702,319	192,883	191,717
Less: Amounts due to customers on contracts	(91,888)	(88,325)	-	-
Less: Progress billings in respect of property development	(1,271)	(7,970)	-	-
Less: Provision for liabilities	(16,844)	-	-	-
Add: Total borrowings	599,320	411,478	285,000	259,232
Total financial liabilities carried at amortised cost	1,295,004	1,017,502	477,883	450,949

Notes to the Financial Statements 31 December 2010 (contd.)

31. PAYABLES (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The currency exposure profile of trade payables is as follows:				
- Ringgit Malaysia (RM)	349,766	318,615	3	-
- Singapore Dollar (SGD)	21,989	26,416	-	-
- US Dollar (USD)	3,255	3,394	-	-
- Vietnam Dong (VND)	1,885	3,828	-	-
- Euro (EURO)	2,399	1,568	-	-
- Indonesian Rupiah (INR)	45	636	-	-
- Thai Baht (THB)	281	117	-	-
- Japanese Yen (JPY)	350	-	-	-
- Indian Rupee (IR)	13,595	31,126	-	-
- Trinidad and Tobago Dollar (TTD)	4,453	5,331	-	-
- Hong Kong Dollar (HKD)	72	81	-	-
- Renminbi (RMB)	22,273	13,244	-	-
- Australian Dollar (AUD)	11,985	5,921	-	-
- United Arab Emirates Dirham (AED)	17,284	36,540	-	-
	449,632	446,817	3	-

The currency exposure profile of accruals is as follows:

- Ringgit Malaysia (RM)	44,255	44,735	9,096	6,621
- Singapore Dollar (SGD)	30,154	20,852	-	-
- US Dollar (USD)	-	200	-	-
- Vietnam Dong (VND)	2,662	1,901	-	-
- Indonesian Rupiah (INR)	70	103	-	-
- Thai Baht (THB)	412	249	-	-
- Indian Rupee (IR)	615	354	-	-
- Trinidad and Tobago Dollar (TTD)	3,793	1,568	-	-
- Renminbi (RMB)	4,647	2,228	-	-
- Macau Pataca (MOP)	-	976	-	-
- Hong Kong Dollar (HKD)	8	1,353	-	-
- Australian Dollar (AUD)	1,366	607	-	-
- United Arab Emirates Dirham (AED)	12,875	1,773	-	-
	100,857	76,899	9,096	6,621

Notes to the Financial Statements 31 December 2010 (contd.)

31. PAYABLES (contd.)

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
The currency exposure profile of trade payables is as follows:				
- Ringgit Malaysia (RM)	97,326	31,615	346	244
- Singapore Dollar (SGD)	15,370	6,694	-	-
- US Dollar (USD)	92	604	-	-
- Vietnam Dong (VND)	548	1,036	-	-
- Indonesian Rupiah (INR)	4,103	1,993	-	-
- Thai Baht (THB)	287	155	-	-
- Indian Rupee (IR)	7,747	14,830	-	-
- Trinidad and Tobago Dollar (TTD)	9,161	12,580	-	-
- Renminbi (RMB)	4,279	7,266	-	-
- Hong Kong Dollar (HKD)	-	63	-	-
- Macau Pataca (MOP)	-	13	-	-
- Australian Dollar (AUD)	3,585	3,669	-	-
- United Arab Emirates Dirham (AED)	1,752	367	-	-
	144,250	80,885	346	244

The currency exposure profile of amount due to customers on contracts is as follows:

- Ringgit Malaysia (RM)	40,196	88,325	-	-
- Singapore Dollar (SGD)	38,192	-	-	-
- United Arab Emirates Dirham (AED)	13,500	-	-	-
	91,888	88,325	-	-

Included in trade and other payables of the Group are amounts due to companies connected to certain Directors amounting to RM1,465,000 (31.12.2009: RM1,030,000) and RM917,000 (31.12.2009: RM7,295,000) 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 reporting date was 5.18% (31.12.2009: 4.85%) per annum.

Amounts due to associates are denominated in Ringgit Malaysia, unsecured, interest free and have no fixed terms of repayment.

Notes to the Financial Statements 31 December 2010 (contd.)

31. PAYABLES (contd.)

The shareholder advance from the minority shareholder of Sunway GD Foundation Engineering Co. Ltd. which amounted to RM801,759 in the previous financial period is denominated in Chinese Renminbi, unsecured and interest free. The balance has been fully repaid during the current financial year.

Provision for liabilities made during the financial year is in respect of estimated delay damages for an overseas construction project undertaken by the Group.

Credit terms of trade payables granted to the Group range from 30 days to 180 days (31.12.2009: 30 days to 180 days).

32. CONSTRUCTION CONTRACTS

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Costs incurred to date	4,215,673	4,654,992
Accrued profits to date	669,645	532,761
Recognised losses to date	-	(629)
Total costs and accrued profits (less losses) to date	4,885,318	5,187,124
Progress billings to date	(4,935,170)	(5,230,562)
	(49,852)	(43,438)
Amounts due from customers on contracts (Note 19)	(42,036)	(44,887)
Amounts due to customers on contracts (Note 31)	91,888	88,325
	-	-
Retention sums (Note 19)	128,069	90,936

33. COMMITMENTS

(a) Capital commitments

	Group	
	31.12.2010 RM'000	31.12.2009 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	11,306	4,313
Approved but not contracted for:		
Property, plant and equipment	46,386	29,176
	57,692	33,489

Notes to the Financial Statements 31 December 2010 (contd.)

33. COMMITMENTS (contd.)**(b) Non-cancellable operating lease commitments**

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Future minimum lease payments:				
Not later than 1 year	19,581	29,658	129	122
Later than 1 year and not later than 5 years	49,090	57,609	531	523
Later than 5 years	31,229	30,202	-	137
	99,900	117,469	660	782
Future minimum sublease receipts:				
Not later than 1 year	289	551	-	-
Later than 1 year and not later than 5 years	-	295	-	-
	289	846	-	-

34. CONTINGENT LIABILITIES

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Guarantees given to third parties in respect of contract and trade performance of:				
- Group	1,377,321	1,699,736	-	-
- subsidiaries	-	-	1,184,510	1,401,964
	1,377,321	1,699,736	1,184,510	1,401,964
Attributable to disposal group classified as held for sale (Note 24)	(1,377,321)	-	(1,184,510)	-
	-	1,699,736	-	1,401,964

Notes to the Financial Statements 31 December 2010 (contd.)

34. CONTINGENT LIABILITIES (contd.)

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.

Material outstanding litigations

- (i) 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 intends to defend this Counterclaim and at the advice of their solicitors, an order to strike out the case has been submitted, followed by a statement of defense on 4 December 2008. The hearing for case management which was fixed on 27 July 2009, was adjourned to 30 September 2009. On the said date, the hearing for case management was fixed on 4 February 2010 and it has been struck out with costs. The Employer filed and appealed against the decision on 2 March 2010. The hearing date for the appeal is yet to be fixed by the Court.

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.

- (ii) 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 Rs89,14,55,058.00 (approximately equivalent to RM70 million).

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs78,13,94,628.61 (approximately equivalent to RM60 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

Notes to the Financial Statements 31 December 2010 (contd.)

34. CONTINGENT LIABILITIES (contd.)

Material outstanding litigations (contd.)

(iii) On 5 February 2010, the hearing was devoted to the Claimant's letter of 2 February 2010. The Arbitrator felt that the controversy raised by the Claimant regarding the proper compliance of the Order dated 23 November 2009 should be brought to an end at the soonest and amicably. After some arguments, the Arbitrator dictated an order basically stating that:

- (a) SunCon should put on affidavit the information it has already supplied; and
- (b) SunCon will need to get verifiable status or details in relation to the existing Bank Guarantees.

The first direction was complied on 24 February 2010.

On 1 April 2010, the Claimant's lawyer concluded his arguments on SunCon's Section 16 Application. SunCon's lawyer barely started on its Rejoinder when the hearing concluded for the day. SunCon's solicitors submitted the rejoinder to the reply of the Claimant to the Application of SunCon under Section 17 of the Arbitration & Conciliation Act, 1996.

On 21 April 2010, SunCon's lawyers concluded arguments on the Section 16 Application. Parties have been asked to make a synopsis of written arguments by 3 May 2010. The matter is listed on 12 May 2010 for orders and other procedural matters. The Arbitrator has indicated that he would like to give a decision on the Section 16 Application first, before proceeding with other matters.

On 12 May 2010, the Arbitrator had rejected the Claimant's objections to SunCon's Section 16 application which order is not appealable. SunCon's Section 17 Application was heard on 24 and 25 May 2010. The arguments stood concluded and the Arbitrator has reserved the matter for orders.

On 24 August 2010, the Arbitrator had passed an order in SunCon's Section 17 application basically stating that the Claimant could not alienate its shares or its assets including assets in its subsidiary. In case of any necessity to do so, it should first approach the tribunal with 4 weeks' notice. Further, the Claimant had been directed to give details of its tangible assets within 6 weeks.

The Arbitrator had fixed the next date of hearing on 18 September 2010. Prior to this date, SunCon had to exchange statement of admission/denial with the Claimant. Both sides had to also give the list of proposed issues for trial and the same would be finalised on the next date of hearing. Future directions on the conduct of hearing to be given on the next date of hearing.

On 27 October 2010, SunCon's draft issues were filed as well as SunCon's statement of admission/denial. The Claimant failed to do so and sought 2 days time to put in its draft issues.

Regarding the Claimant's statement of admission/denial, they sought time till 25 November 2010 and the next date of hearing would be fixed on 25 November 2010. The Arbitrator had also directed the Claimant to file its evidence by way of affidavit by 26 December 2010. A hearing had been fixed on 5 January 2011 to take stock and fix appropriate dates for cross-examination of the Claimant's witnesses.

On 5 January 2011, Shristi did not produce its Witness Statement and has been directed to file it by 7 February 2011. The hearing was then adjourned to 11 March 2011 for compliance and finalising the bundles, etc. The cross examination dates are 28 and 29 March 2011, to be followed on 11 and 12 April 2011. Shristi has to submit a statement of its assets as at 31 December 2010 supported by an affidavit before the next date of the hearing.

Notes to the Financial Statements 31 December 2010 (contd.)

34. CONTINGENT LIABILITIES (contd.)

(ii) On 28 March 2011, the Arbitrator had directed the following:

- (a) Admission or denial by Shristi or SunCon of each other's documents to be completed by 4 April 2011.
- (b) Further documents to be filed by both parties by 12 April 2011.
- (c) List of witnesses and Supplemental Affidavit to be filed by Shristi by 12 April 2011 and Shristi's witness to be present on 12 April 2011.

On the 12 April 2011 hearing, both sides were allowed to file further documents, if any, within the next 3 weeks, as the final submission. The next hearing date is 16 May 2011 for noting compliance of directions and thereafter, cross-examination of their first witness on 1 and 2 July 2011. The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) During the period, the Group transacted with certain related parties. The transactions are principally payable to/receivable from the related parties in respect of:

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Group		
Contract revenue from:		
Companies connected to a major shareholder/common director (Sunway City Berhad and its subsidiaries):		
Sunway City Berhad	44,546	15,488
Sunway D'Mont Kiara Sdn. Bhd.	6,211	28,558
Sunway Pyramid Sdn. Bhd.	3,386	16,255
Sunway Carnival Sdn. Bhd.	-	4,915
Sunway South Quay Sdn. Bhd.	5,110	18,801
Sunway Medical Centre Berhad	5,254	30,971
Sunway Resort Hotel Sdn. Bhd.	588	1,341
Sunway City (Ipoh) Sdn. Bhd.	1,818	27

Notes to the Financial Statements 31 December 2010 (contd.)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (a) During the period, the Group transacted with certain related parties. The transactions are principally payable to/receivable from the related parties in respect of:

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Group (contd.)		
Sales of goods and services to:		
Companies connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Sunway South Quay Sdn. Bhd.	694	-
Rental of office space from:		
Companies connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Menara Sunway Sdn. Bhd.	2,074	7,123
Sunway City Berhad	414	822
Sunway REIT Management Sdn. Bhd.	1,875	-
Purchase of medical services from:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Sunway Medical Centre Berhad	118	605
Management fees to:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Allson International Management Limited	-	1,034
Purchase of travel services from:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Sunway Travel Sdn. Bhd.	1,197	3,175

Notes to the Financial Statements 31 December 2010 (contd.)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (a) During the period, the Group transacted with certain related parties. The transactions are principally payable to/receivable from the related parties in respect of (contd.):

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Group (contd.)		
Purchase of advertising services from:		
Company connected to a major shareholder:		
Adasia (M) Sdn. Bhd.	822	824
Purchase of maintenance services from:		
Companies connected to a major shareholder/common director (Sunway City Berhad and its subsidiaries):		
Menara Sunway Sdn. Bhd.	285	1,310
Sunway IFM Sdn. Bhd.	375	602
Company		
Rental of office space from:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Menara Sunway Sdn. Bhd.	500	1,871
Purchase of travel services from:		
Company connected to a major shareholder/common directors (Sunway City Berhad and its subsidiaries):		
Sunway Travel Sdn. Bhd.	80	75
Purchase of advertising services from:		
Company connected to a major shareholder:		
Adasia (M) Sdn. Bhd.	541	454

Notes to the Financial Statements 31 December 2010 (contd.)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (a) During the period, the Group transacted with certain related parties. The transactions are principally payable to/ receivable from the related parties in respect of (contd.):

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Company (contd.)		
Interest income from:		
Subsidiaries:		
Sunway Global Limited	-	944
SunwayMas Sdn. Bhd.	612	899
Sunway Juarasama Sdn. Bhd.	-	337
Pembangunan Risjaya Sdn. Bhd.	229	345
Sunway Pipeplus Technology Sdn. Bhd.	101	308
Management fees from:		
Subsidiaries:		
Sunway Construction Sdn. Bhd.	12,070	16,667
Sunway Keramo Sdn. Bhd.	1,653	2,850
SunwayMas Sdn. Bhd.	2,053	1,982
Sunway Marketing (S) Pte. Ltd.	741	-
Sunway Marketing Sdn. Bhd.	558	1,190
Sunway Quarry Industries Sdn. Bhd.	805	827
Sunway Leasing Sdn. Bhd.	430	501

Notes to the Financial Statements 31 December 2010 (contd.)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

- (a) During the period, the Group transacted with certain related parties. The transactions are principally payable to/receivable from the related parties in respect of (contd.):

	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Company (contd.)		
Dividend income from:		
Subsidiaries:		
Reptolink Sdn. Bhd.	268	1,067
Sunway Construction Sdn. Bhd.	34,333	26,667
Sunway Keramo Sdn. Bhd.	-	400
Sunway Leasing Sdn. Bhd.	300	1,333
Sunway Marketing (S) Pte. Ltd.	2,819	717
Sunway Marketing Sdn. Bhd.	1,868	2,930
Sunway Paving Solutions Sdn. Bhd.	-	3,600
Sunway Quarry Industries Sdn. Bhd.	-	11,667
Sunway Risk Management Sdn. Bhd.	400	1,667
SunwayMas Sdn. Bhd.	1,500	6,200
Interest expense to:		
Subsidiaries:		
Reptolink Sdn. Bhd.	807	1,569
Sunway Construction Sdn. Bhd.	4,017	4,891
Sunway Keramo Sdn. Bhd.	966	1,697
SunwayMas Sdn. Bhd.	1,150	1,388
Sunway Bangi Sdn. Bhd.	758	1,250
Sunway Leasing Sdn. Bhd.	831	638
Sunway Marketing Sdn. Bhd.	621	657

Notes to the Financial Statements 31 December 2010 (contd.)

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)**(b) 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.

	Group		Company	
	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000	1.1.2010 to 31.12.2010 RM'000	1.7.2008 to 31.12.2009 RM'000
Salaries and bonuses	6,610	8,629	3,800	5,560
Estimated money value of benefits-in-kind	282	422	96	199
National defined contribution plans	780	1,034	451	663
ESOS	1,012	1,189	-	-
Other benefits	291	298	205	171
	8,975	11,572	4,552	6,593
Included in the total key management personnel are:				
Directors' remuneration	7,003	9,714	4,552	6,593

Notes to the Financial Statements 31 December 2010 (contd.)

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group 31.12.2010 RM'000	
	Carrying amount	Fair value
Financial assets:		
Finance lease receivables	16,029	15,809
Hire purchase receivables	3,640	3,482
Financial liabilities:		
Finance lease and hire purchase obligations	15,788	15,668
Block discount creditors	26,193	25,051
	Group 31.12.2009 RM'000	
	Carrying amount	Fair value
Financial assets:		
Finance lease receivables	11,967	11,372
Hire purchase receivables	4,876	4,672
Financial liabilities:		
Finance lease and hire purchase obligations	4,283	4,236
Block discount creditors	30,500	29,870

B. Determination of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, tax recoverable and payable and other short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

Notes to the Financial Statements 31 December 2010 (contd.)

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (contd.)**B. Determination of fair value (contd.)**

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable input. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate. The derivatives arising from the interest rate swap contracts are computed using the present value of the difference between the floating rates and fixed rates applied to the principal amounts over the duration of the swap expiring subsequent to period end.

The Company provides financial guarantees to financial institutions for borrowings amounting to RM258,873,000 (31.12.2009: RM352,702,000) obtained by its subsidiaries. As at reporting date, the fair value of the financial guarantees is immaterial. The fair value of the financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

It is not practical to determine the fair values of:

- (i) non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.
- (ii) amounts due from/(to) subsidiaries, associates and jointly controlled entity, amounts due to contractors and consultants and advances by minority shareholders of subsidiaries due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, other receivables and tax recoverable, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Notes to the Financial Statements 31 December 2010 (contd.)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)**(a) Credit risk** (contd.)Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables, retention sums, finance lease receivables, hire purchase receivables, amount due from customers on contract and accrued billings in respect of property development cost at the reporting date are as follows:

	Group 31.12.2010	
	RM'000	% of total
By country:		
Malaysia	386,474	67%
Singapore	47,969	8%
India	26,559	5%
People's Republic of China	37,225	6%
Trinidad and Tobago	29,104	5%
Australia	12,200	2%
Other countries	39,940	7%
	579,471	100%
By industry:		
Construction	339,002	59%
Trading and marketing	101,085	17%
Quarry	51,088	9%
Building materials	36,769	6%
Property development	16,807	3%
Others	34,720	6%
	579,471	100%

At the reporting date, approximately 20% of the Group's trade receivables were due from 5 major customers.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions are placed with reputable financial institutions.

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

Notes to the Financial Statements 31 December 2010 (contd.)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

(b) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	31.12.2010 RM'000			
	On demand or within one year	One to five years	Over five years	Total
Group				
Financial liabilities:				
Trade and other payables	805,687	-	-	805,687
Loans and borrowings	224,304	452,709	8,958	685,971
Derivatives	279	133	-	412
Total undiscounted liabilities	1,030,270	452,842	8,958	1,492,070
Company				
Financial liabilities:				
Trade and other payables	192,883	-	-	192,883
Loans and borrowings	15,570	311,311	-	326,881
Derivatives	279	133	-	412
Total undiscounted liabilities	208,732	311,444	-	520,176

Notes to the Financial Statements 31 December 2010 (contd.)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)**(c) Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that value of a financial instrument will fluctuate due to changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest bearing borrowings. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into interest rate swap contracts to hedge the floating rate interest payable on certain borrowings.

As at reporting date, approximately 26% of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the reporting date, if the interest rates had been 50 basis points lower/higher, the Group's and Company's profit after tax will be lower/higher by approximately RM0.93 million and RM 0.81 million respectively, as a result of lower/higher interest expense on floating rate loans and borrowings, and lower/higher interest income on deposits, cash and bank balances. This analysis assumes that all other variables remain constant and has not taken into account the effects of share of minority interests. The assumed movement in basis points is based on observable market information.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily Singapore Dollar (SGD), United States Dollar (USD), Australian Dollar (AUD), Trinidad and Tobago Dollar (TTD), Chinese Renminbi (RMB), Indian Rupees (INR) and United Arab Emirates Dollar (AED). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 36% of the Group's sales are denominated in foreign currencies whilst almost 33% of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amount to RM195 million.

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

Notes to the Financial Statements 31 December 2010 (contd.)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

(d) Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD, USD, RMB, IR, TTD, AUD and AED exchange rates against the functional currency of the Group, with all other variables held constant.

	Group 1.1.2010 to 31.12.2010 Profit net of tax RM'000	Company 1.1.2010 to 31.12.2010 Profit net of tax RM'000
SGD/RM		
- strengthened 1%	494	-
- weakened 1%	(494)	-
USD/RM		
- strengthened 5%	6	*
- weakened 5%	(6)	*
RMB/RM		
- strengthened 1%	(201)	*
- weakened 1%	201	*
IR/RM		
- strengthened 4%	1,228	-
- weakened 4%	(1,228)	-
TTD/RM		
- strengthened 13%	2,076	-
- weakened 13%	(2,076)	-
AUD/RM		
- strengthened 8%	(115)	-
- weakened 8%	115	-
AED/RM		
- strengthened 5%	2,565	-
- weakened 5%	(2,565)	-

* negligible

Notes to the Financial Statements 31 December 2010 (contd.)

38. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure by ensuring financial commitments are met as they fall due, and through the divestment of non-core assets.

As disclosed in Note 27, subsidiaries of the Group are required by the Foreign Enterprise Law of the People's Republic of China ("PRC") to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial year ended 31 December 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt includes current and non-current loans and borrowings less deposits, cash and bank balances. Capital is the equity attributable to the owners of the parent.

	Group		Company	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Loans and borrowings	599,320	692,950	285,000	313,753
Cumulative redeemable preference shares	-	15,000	-	-
Less:				
- Cash and bank balances	(257,142)	(208,667)	(5,519)	(11,916)
Net debt	342,178	499,283	279,481	301,837
Equity attributable to owners of the parent	936,956	770,960	385,466	389,090
Total capital	936,956	770,960	385,466	389,090
Total capital and net debt	1,279,134	1,270,243	664,947	690,927
Gearing ratio	37%	65%	73%	78%

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. The Group's reportable operating segments are as follows:

- (i) Construction - Construction of building and civil works and provision of mechanical, electrical and piling works.
- (ii) Property development - Development of housing and commercial properties and leasing, managing, tenancing, licensing, occupation or disposal of such properties.
- (iii) Trading and manufacturing - Trading and manufacturing of construction and industrial products, building materials and importing and distribution of pharmaceutical products.
- (iv) 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.
- (v) Quarry - Quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.
- (vi) Financial services - Lease and hire purchase financing.
- (vii) 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.
- (viii) Others - Provision of secretarial and share registration services, provision of management services, hotel operations, underwriting of insurance, and implementation of securitisation transaction.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION (contd.)**Business segments**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	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	Total RM'000
31.12.2010									
Revenue									
External customers	1,094,905	130,079	482,216	115,870	179,143	2,391	1,297	8,573	2,014,474
Inter segment	-	-	48,537	6,218	20,000	1,780	21,350	9,207	107,092
Total revenue	1,094,905	130,079	530,753	122,088	199,143	4,171	22,647	17,780	2,121,566
Elimination	-	-	(48,537)	(6,218)	(20,000)	(1,780)	(21,350)	(9,207)	(107,092)
Total revenue	1,094,905	130,079	482,216	115,870	179,143	2,391	1,297	8,573	2,014,474
Results									
Operating profit/(loss)	93,045	26,243	37,764	(12,426)	8,304	1,182	3,955	2,774	160,841
Finance income	3,523	1,478	106	17	1,492	12	310	231	7,169
Finance costs	(5,937)	(1,429)	(3,608)	(2,634)	(1,855)	(313)	(20,024)	(25)	(35,825)
Share of results in jointly controlled entities	48,674	54,570	-	-	-	-	-	-	103,244
Share of results of associates	(18,030)	-	(97)	-	-	-	-	(6,284)	(24,411)
Profit before tax	121,275	80,862	34,165	(15,043)	7,941	881	(15,759)	(3,304)	211,018
Income tax expense	(20,363)	(7,118)	(8,709)	(907)	(2,831)	(664)	4,417	(701)	(36,876)
Profit for the year	100,912	73,744	25,456	(15,950)	5,110	217	(11,342)	(4,005)	174,142

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION (contd.)

Business segments (contd.)

	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	Total RM'000
31.12.2010 (contd.)									
Assets									
Segment assets	611,037	98,796	258,376	156,943	129,186	17,440	730,805	9,107	2,011,690
Interests in associates and jointly controlled entities	338,931	28,615	183	-	-	-	-	67,014	434,743
Unallocated assets									35,161
Total assets									2,481,594
Liabilities									
Segment liabilities	701,802	103,057	155,399	82,379	66,252	36,259	254,648	5,623	1,405,419
Unallocated liabilities									43,244
Total liabilities									1,448,663
Other segment information									
Capital expenditure	37,757	429	12,359	8,338	5,175	25	-	511	64,594
Depreciation and amortisation	17,922	204	3,355	5,922	12,972	50	7,244	240	47,909
Impairment losses/ (reversal of impairment losses)	-	-	-	3,176	-	-	(63)	-	3,113

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION (contd.)**Business segments** (contd.)

	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	Total RM'000
31.12.2009									
Revenue									
External customers	1,373,173	84,502	605,068	169,852	376,361	3,629	945	25,622	2,639,152
Inter segment	-	-	63,110	6,376	55,869	3,095	14,297	12,896	155,643
Total revenue	1,373,173	84,502	668,178	176,228	432,230	6,724	15,242	38,518	2,794,795
Elimination	-	-	(63,110)	(6,376)	(55,869)	(3,095)	(14,297)	(12,896)	(155,643)
Total revenue	1,373,173	84,502	605,068	169,852	376,361	3,629	945	25,622	2,639,152
Results									
Operating profit/(loss)	56,804	12,855	38,468	636	37,226	984	(16,790)	4,522	134,705
Finance income	2,331	939	655	253	187	32	666	927	5,990
Finance costs	(11,115)	(490)	(6,534)	(3,020)	(4,167)	(247)	(33,841)	(60)	(59,474)
Share of results in jointly controlled entities	25,019	26,156	-	-	-	-	-	-	51,175
Share of results of associates	12,286	-	(119)	-	-	-	-	8,599	20,766
Profit before tax	85,325	39,460	32,470	(2,131)	33,246	769	(49,965)	13,988	153,162
Income tax expense	(14,038)	(5,344)	(8,740)	(972)	(10,702)	(601)	8,283	(837)	(32,951)
Profit for the period	71,287	34,116	23,730	(3,103)	22,544	168	(41,682)	13,151	120,211

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION (contd.)

Business segments (contd.)

	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	Total RM'000
31.12.2009 (contd.)									
Assets									
Segment assets	550,278	114,649	228,131	175,269	150,066	24,615	709,807	15,667	1,968,482
Investments in associates and jointly controlled entities	218,166	27,215	280	-	-	-	-	50,950	296,611
Unallocated assets									41,790
Total assets									2,306,883
Liabilities									
Segment liabilities	600,507	110,731	150,794	70,701	78,284	57,668	338,771	6,489	1,413,945
Unallocated liabilities									33,749
Total liabilities									1,447,694
Other segment information									
Capital expenditure	66,492	114	15,767	48,960	16,342	204	9	1,626	149,514
Depreciation and amortisation	19,988	277	4,560	11,144	20,039	76	7,613	2,318	66,015
Impairment losses/ (reversal of impairment losses)	5,004	-	(1,251)	-	(9)	-	(354)	-	3,390

Notes to the Financial Statements 31 December 2010 (contd.)

39. SEGMENT INFORMATION (contd.)**Geographical segments**

The following table provides an analysis of the Group's revenue, assets and capital expenditure by geographical segment:

	Revenue		Segment Assets		Capital Expenditure	
	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000	31.12.2010 RM'000	31.12.2009 RM'000
Malaysia	1,094,312	1,621,791	1,296,190	1,293,570	39,445	51,481
Singapore	325,625	384,252	385,543	249,067	15,835	11,659
Vietnam	24,361	70,160	8,889	24,645	207	1,585
China	125,085	112,824	137,528	162,323	7,716	73,893
India	106,682	274,357	69,182	139,583	5	26
Trinidad and Tobago	24,244	51,551	38,787	57,547	100	5,834
Australia	60,981	62,131	20,407	17,238	41	4,013
Abu Dhabi	192,465	11,912	54,706	38,834	-	-
Other countries	60,719	50,174	35,619	27,465	1,245	1,023
	2,014,474	2,639,152	2,046,851	2,010,272	64,594	149,514
Jointly controlled entities and associates			434,743	296,611		
Total assets			2,481,594	2,306,883		

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Completed events

- (a) On 3 May 2010, the Company announced that Sunway Marketing Sdn. Bhd. ("Sunway Marketing"), a wholly-owned subsidiary of the Company had entered into a Joint Venture cum Shareholders Agreement ("JVA") with Opus Developers and Builders Private Limited ("Opus") to set up a joint venture company known as Sunway Opus International Trading Private Limited ("Sunway Opus") to undertake the business of import, marketing and sale of architectural and finishing products such as sanitary wares and fittings, ceramic tiles, marble, pipes, iron-mongering and hardware products, paints, home furniture and such other like articles as well as to regulate their relationships as shareholders of Sunway Opus.

Pursuant to the JVA, the initial paid-up share capital of Sunway Opus will be Rs10,00,000/- comprising 1,00,000 shares at par value of Rs10/- per share. Opus and Sunway Marketing shall subscribe to an amount of Rs4,00,000/- and Rs6,00,000/- respectively. The paid-up share capital of Sunway Opus will gradually increase to Rs75,00,000/- as and when Sunway Opus requires working capital for its operation.

- (b) The Group had on 22 June 2010 disposed of its 60% equity interest in Sun Pharmaceutical Sdn. Bhd. and its subsidiary for a total cash consideration of RM2,350,000. The disposal resulted in a gain of RM558,000 to the Group. Upon completion of the disposal, Sun Pharmaceutical Sdn. Bhd. ceased to be a subsidiary of the Group.
- (c) The Group had on 29 June 2010 disposed of its entire equity interest in Hochimex Nominee Company Limited and its subsidiary for a total cash consideration of USD17 million (equivalent to approximately RM56.19 million). The disposal resulted in a gain of RM13,288,000 to the Group. Upon completion of the disposal, Hochimex Nominee Company Limited ceased to be a subsidiary of the Group.

Event pending completion

- (a) On 19 January 2010, the Company announced that SunwayMas Sdn. Bhd. ("SunwayMas"), its wholly-owned subsidiary had entered into a Share Sale Agreement and Shareholders Agreement with Templer Forest Resort Sdn. Bhd. ("Templer Forest").

Pursuant to the Share Sale Agreement, SunwayMas shall acquire 60% equity interest, comprising 1,980,000 ordinary shares of RM1.00 each in Spanland Sdn. Bhd. ("Spanland") from Templer Forest for a total purchase consideration of RM13,800,000 ("Proposed Acquisition"). The Shareholders Agreement outlines the joint venture arrangement of SunwayMas and Templer Forest and their mutual rights and obligations as shareholders of Spanland as well as to jointly undertake a property development project on parcels of leasehold land measuring approximately 98.43 acres located at Mukim Rawang, District of Gombak, Selangor.

Upon completion of the Proposed Acquisition, Spanland shall become a 60% owned subsidiary of SunwayMas. The Shareholders Agreement will come into effect on the completion of the Proposed Acquisition.

The Proposed Acquisition is expected to be completed within 21 business days after the fulfillment of all conditions precedent or such other date as may be agreed between the parties.

- (b) On 21 September 2010, the Company announced the proposed issuance of up to RM500 million in nominal value of commercial papers and/or medium term notes (collectively referred to as the "Notes") under a commercial paper/medium term notes programme ("CP/MTN Programme").

The Company has mandated RHB Investment Bank Berhad as the Principal Adviser/Lead Arranger for the CP/MTN Programme.

Pursuant to the CP/MTN Programme, the Company may at its election (but shall not be obliged to do so) and prior to any issuance of the Notes nominate each of either OCBC Bank (Malaysia) Berhad and/or RHB Bank Berhad to guarantee up to the maximum amount of RM100 million each of any series of the Notes. The bank guarantees to be issued by OCBC Bank (Malaysia) Berhad and/or RHB Bank Berhad, as the case may be, shall have the tenor of not more than 5 years from the first issue date of the Notes under the CP/MTN Programme.

Notes to the Financial Statements 31 December 2010 (contd.)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)**Event pending completion (contd.)**

- (b) The proceeds from the CP/MTN Programme shall be utilised to repay existing bank borrowings, to finance future property developments, capital expenditure or investments of the Company and/or any of its subsidiaries, and the balance, if any, for working capital of the Company and/or any of its subsidiaries and to pay all incidental costs in relation to the CP/MTN Programme.

On 26 October 2010, the Company announced that the CP/MTN Programme has been approved by the Securities Commission vide its letter dated 25 October 2010.

On 15 November 2010, the Company has made its first issuance under the CP/MTN Programme. A total of RM85.0 million nominal value medium term notes were issued, all guaranteed by OCBC Bank (Malaysia) Berhad.

- (c) On 24 September 2010, the Company announced that SunwayMas had entered into a JVA with Dasa Tourist Complex (Private) Limited ("Dasa Tourist") to undertake a mixed development comprising at least 318,000 sq ft of net saleable areas of residential units and 60,000 sq ft net saleable areas of commercial units in Colombo city in the Democratic Socialist Republic of Sri Lanka ("Proposed Development") via a joint venture company ("JV Co.") to be incorporated in the Democratic Socialist Republic of Sri Lanka.

SunwayMas and Dasa Tourist have entered into the JVA to undertake the Proposed Development as well as to record their joint venture arrangement and their rights and obligations as shareholders in the JV Co. SunwayMas shall hold 65% and Dasa Tourist shall hold 35% under the proposed shareholding structure of the JV Co.

- (d) On 24 November 2010, the Company announced that the Board had received a letter from Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("Sunway"), which sets out Sunway's offer to acquire all of the business and undertaking of the Company as carried on by the Company as at the date hereof, including all Assets and Liabilities of the Company as at Completion at an aggregate purchase consideration:
- (i) equivalent to RM2.60 per ordinary share of RM1.00 each in the Company multiplied by the total outstanding shares in the Company (less treasury shares, if any) at a date to be determined later;
 - (ii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in the Company and calculated by applying all the relevant variables as at 22 November 2010, for the options issued under the Company's employees' share option scheme ("ESOS options"), multiplied by the total outstanding number of ESOS options issued (for every issue of the ESOS options, batched by their respective conversion prices). The Black-Scholes values for the ESOS options range from RM0.98 to RM1.67 per ESOS option (subject to the respective conversion price of the options); and
 - (iii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in the Company and calculated by applying all the relevant variables as at 22 November 2010, being RM1.50 per warrant of the Company ("Warrant"), multiplied by the total outstanding number of Warrants in issue at a date to be determined later.

On 14 December 2010, the Company announced that the non-interested Directors of the Company, after taking into consideration the independent advice of the Independent Advisor, OSK Investment Bank Berhad, have decided to accept Sunway's offer, subject to, inter alia, the approval of the shareholders and relevant authorities, where required.

On 18 January 2011, the Company announced that it had entered into a conditional Sale of Business Agreement ("SBA") with Sunway in relation to the proposed disposal of the entire business and undertaking including all the assets and liabilities of the Company ("Proposed Disposal").

Notes to the Financial Statements 31 December 2010 (contd.)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (contd.)

Event pending completion (contd.)

Pursuant to the Proposed Disposal, the Company will also undertake the following:

- (i) proposed capital repayment by way of a capital reduction exercise pursuant to Sections 60(2) and/or 64 of the Companies Act, 1965 ("Proposed Capital Reduction and Repayment");
- (ii) proposed termination of the employees' share option scheme ("ESOS") of the Company ("Proposed ESOS Termination"); and
- (iii) proposed payment to warrant holders of the Company by way of a special resolution as provided by the deed poll ("Proposed Warrant Scheme").

On 18 March 2011, the Company announced that it had submitted the application to the Securities Commission to seek its approval for the Proposed Capital Reduction and Repayment.

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

- (a) On 5 April 2011, the Company announced that SunwayMas Sdn. Bhd., its wholly-owned subsidiary had acquired two (2) ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of Daksina Harta Sdn. Bhd. ("Daksina Harta") for a total cash consideration of RM2.00.

The principal activity of Daksina Harta is property investment. The unaudited total assets (which consist of property) and liabilities of Daksina Harta as at 31 March 2011 are RM4,046,331 and RM4,088,633 respectively.

- (b) On 8 April 2011, the Company announced that Sunway Smartek Sdn. Bhd. (Sunway Smartek"), its 75.1% owned subsidiary had on 7 April 2011, disposed of 51,000 ordinary shares of RM1.00 each, representing 51% equity interest in Sunway Smartek Marketing Sdn. Bhd. ("Sunway Smartek Marketing") for a total cash consideration of RM51,000. As a result of the disposal, Sunway Smartek Marketing ceased to be a subsidiary of the Group.

Sunway Smartek had also on 7 April 2011, entered into a Deed of Mutual Termination with Arrowmedia Sdn. Bhd. to mutually terminate the Joint Venture Agreement which was signed on 20 July 2007.

42. COMPARATIVES

The previous financial statements covered a period of 18 months as the year end of the Company was changed from 30 June to 31 December. Accordingly, comparative amounts for the income statements, statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not comparable.

Certain comparative figures have been restated to conform with current year's presentation as disclosed in Note 2.3(d).

Notes to the Financial Statements 31 December 2010 (contd.)

43. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010 into realised and unrealised earnings is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 31.12.2010 RM'000	Company 31.12.2010 RM'000
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(76,368)	(462,376)
- Unrealised	(10,079)	412
	(86,447)	(461,964)
Total share of retained earnings/(accumulated losses) from associates:		
- Realised	(2,040)	-
- Unrealised	116	-
Total share of retained earnings/(accumulated losses) from jointly controlled entities:		
- Realised	172,449	-
- Unrealised	(8,048)	-
	76,030	(461,964)
Less: Consolidation adjustments	(33,847)	-
Total retained earnings/(accumulated losses)	42,183	(461,964)

List of Properties

As at 31 December 2010

Location / Address	Description	Tenure	Site / Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.2010 RM'000	Date of Acquisition
Wisma Masalam, PN21876, Lot 517 Lot 1, Jalan Tengku Ampuan Zabedah C 9/C, Section 9, 40100 Shah Alam, Selangor Darul Ehsan	Commercial building	99 years leasehold expiring 29 Aug 2094	153,587 sq. ft.	Rented out/ vacant	3	44,600	2.9.1995
Lot PT 3789, H.S (D) 155806, Mukim Bukit Raja, District of Petaling, Selangor Darul Ehsan	Land for development	99 years leasehold expiring 5 Nov 2100	4,356,000 sq. ft.	Property development	4	44,597	25.10.2002
HSM 14430, PT18140, Mukim Ulu Kelang, Daerah Gombak, Selangor Darul Ehsan	Land for development	99 years leasehold expiring 1 April 2108	536,224 sq. ft.	Property development	-	36,686	30.6.2007
PN 31942 Lot 21, Section 19, Rawang and H.S.(D) 25423, PT 11894, Mukim Rawang, Daerah Gombak, Selangor Darul Ehsan	Land for development	99 years leasehold expiring 16 March 2094 and 16 July 2094	4,575,893 sq. ft.	Property development	-	36,263	5.3.1997
Land Parcel 796 at Wak Hassan Drive / Wak Hassan Place, Singapore	Land for development	99 years leasehold	33,496 sq. ft.	Future property development	-	35,654	5.3.1997
Subang Square, Geran 234503, Lot 62002, Bandar Subang Jaya, Daerah Petaling, Selangor Darul Ehsan	Office lot / Shopping gallery / car park	Freehold	159,114 sq.ft	Rented out	11	29,477	N/A

List of Properties as at 31 December 2010 (contd.)

Location / Address	Description	Tenure	Site / Floor Area	Existing Use	Approximate Age of Building (Years)	Net Book Value as at 31.12.2010 RM'000	Date of Acquisition
Geran 227724, Lot 10071, Mukim of Batang Kali, Daerah Ulu Selangor, Negeri Selangor	Industrial land and building	Freehold	1,916,640 sq.ft	Manufacturing of concrete products	12	27,158	9.7.1996
Lot 1316-GM 815, Lot 1352-Geran 25146, Lot 1402-GM 475, Lot 1406-Geran 20685, Lot 1408-GM 249, Lot 1409-Geran 27428, Lot 1683-Geran 52806, Lot 1351-Geran 25145, Lot 1355-GM 1078, Lot 1401-GM 583, Lot 1404-GM 1092, Lot 1405-GM 473, Lot 1410-GM 1087, Lot 1412-GM 543, Lot 1413-GM 395, Lot 1684-GRN 52807 Mukim Cheras, District Ulu Langat	Land for development	Freehold	4,639,884 sq.ft	Property development	-	25,312	26.11.2007
PN 7363, Lot 14256, Section 19, Town of Rawang, District of Gombak, Selangor Darul Ehsan	Land for development	99 years leasehold expiring 19 April 2094	2,573,217 sq.ft	Future property development	-	23,657	5.3.1997
Xin Gang Zone, Bai Jiao Science Technology Industrial Park, Dou Men District, Zhuhai City, Guangdong Province, China	Industrial land and building	50 years leasehold expiring 18 April 2056	901,649 sq.ft	Industrial land and building	5	23,132	1.4.2006

Note: The list of properties above shows the particulars of the top 10 properties in terms of highest net book value as at the end of the financial year.

Recurrent Related Party Transactions

Pursuant to Chapter 10, Paragraph 10.09(2)(b) and Practice Note 12 of the Listing Requirements of Bursa Malaysia Securities Berhad, the details of the Recurrent Related Party Transactions of a revenue or trading nature conducted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2010 are as follows:-

Mandated Related Party	Nature of Transactions	Sales RM'000
Sunway City Berhad ("SunCity") Group	Construction and related services* and/or mechanical engineering and related services.	66,913

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

Relationship of Related Parties with Sunway Group

SunCity Group

- (a) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a Director of Sunway and SunCity Group as well as a 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 Jeffrey 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 Jeffrey Cheah Fook Ling, is a Director and Alternate 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 Jeffrey Cheah Fook Ling, who is a Director and Alternate Director in several subsidiaries of Sunway as well as 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.



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SHAREHOLDING INFO



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FORMATION

Directors' Interests in Shares, Options over Ordinary Shares and Warrants

As at 26 April 2011

DIRECTORS' INTERESTS IN THE COMPANY

Direct Interest	Ordinary Shares of RM1.00 each	
	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	29,845,278	5.10
Dato' Chew Chee Kin	1,072,700	0.18
Dato' Yau Kok Seng	44,100	0.01
Dato' Tan Kia Loke	275,000	0.05
Kwan Foh Kwai	710,000	0.12
Wong Chin Mun	30,000	0.01
Datuk Abdul Malek Bin Abdul Aziz	45,000	0.01
Deemed Interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling ¹	240,466,059	41.13
Kwan Foh Kwai ²	410,000	0.07
Datuk Low Seng Kuan ³	50,000	0.01

Options over Ordinary Shares of RM1.00 each

Direct Interest	No.
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	2,500,000
Dato' Chew Chee Kin	1,000,000
Dato' Yau Kok Seng	500,000
Dato' Tan Kia Loke	1,000,000
Wong Chin Mun	50,000
Datuk Low Seng Kuan	50,000

Warrants 2009/2014		
Direct Interest	No.	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	10,825,029	4.39
Dato' Chew Chee Kin	2,013,433	0.82
Dato' Tan Kia Loke	894,351	0.36
Kwan Foh Kwai	320,000	0.13
Datuk Low Seng Kuan	66	#
Datuk Abdul Malek Bin Abdul Aziz	1,350	#
Deemed Interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling ⁴	136,038,857	55.16
Dato' Chew Chee Kin ²	180,000	0.07
Kwan Foh Kwai ²	155,000	0.06
Datuk Low Seng Kuan ²	66	#

By virtue of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling's substantial interest in the shares of Sunway, he is also deemed to have an interest in the shares of all the subsidiaries of Sunway to the extent Sunway has an interest.

NOTES:

- ¹ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd and children
- ² Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse
- ³ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through child
- ⁴ Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and children

Negligible

DIRECTORS' INTERESTS IN THE COMPANY'S SUBSIDIARY SUNWAY GLOBAL LIMITED

Ordinary Shares of HK\$1.00 each		
Direct Interest	No.	%
Dato' Chew Chee Kin	869,684	0.31
Dato' Yau Kok Seng	820,456	0.29
Options over Ordinary Shares of HK\$1.00 each		
Direct Interest	No.	
Dato' Chew Chee Kin	14,215,770	
Dato' Yau Kok Seng	13,411,093	

Analysis of Shareholdings

As at 26 April 2011

Authorised Share Capital	-	RM1,000,000,000
Issued and Paid-up Share Capital	-	RM609,270,005
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	273	2.65	11,755	0.00
100 - 1,000	3,200	31.05	3,079,311	0.51
1,001 - 10,000	5,302	51.45	22,851,282	3.75
10,001 - 100,000	1,297	12.58	39,355,528	6.46
100,001 - 30,463,499 (Less than 5% of issued shares)	232	2.25	333,718,970	54.77
30,463,500 (5%) and above	2	0.02	210,253,159	34.51
	10,306	100.00	609,270,005	100.00

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
1 Sungei Way Corporation Sdn Bhd	-	150,253,159	24.66
2 ABB Nominee (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	60,000,000	9.85
3 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	27,407,690	4.50
4 Dato' Lim Say Chong	-	26,325,000	4.32
5 Oriental Dragon Enterprises Inc.	-	25,932,400	4.26
6 Mayban Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	25,000,000	4.10
7 Oh Kim Sun	-	24,140,900	3.96
8 Sunway Holdings Berhad (Share Buy Back Account)	-	23,155,700	3.80
9 Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board	13,699,000	2.25
10 Lim Suan	-	13,200,000	2.17
11 Teng Yew Huat	-	12,413,900	2.04
12 Amanahraya Trustees Berhad	Public Islamic Select Treasures Fund	7,756,500	1.27
13 Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board (Nomura)	5,500,000	0.90
14 Amanahraya Trustees Berhad	Sekim Amanah Saham Nasional	5,000,000	0.82
15 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	Prudential Fund Management Berhad	4,789,000	0.79
16 HSBC Nominees (Asing) Sdn Bhd - Exempt AN	JP Morgan Chase Bank, National Association (Norges Bk Nlend)	4,431,500	0.73
17 Citigroup Nominees (Asing) Sdn Bhd - CBNY	Dimensional Emerging Markets Value Fund	4,099,100	0.67
18 Strategic Alpha Ventures Sdn Bhd	-	3,434,700	0.56
19 Cartaban Nominees (Asing) Sdn Bhd - BBH (LUX) SCA	Fidelity Funds Malaysia	3,345,300	0.55

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Shareholders	Name of Beneficial Owners	No. of Shares	%
20	Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	3,200,000	0.53
21	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd	Singular Asia Flexible Fund	3,080,000	0.51
22	Amanahraya Trustees Berhad	Public Islamic Opportunities Fund	3,028,900	0.50
23	Tokio Marine Life Insurance Malaysia Bhd	-	3,000,000	0.49
24	Aneka Lancar Sdn Bhd	-	2,697,200	0.44
25	Sungei Way Corporation Sdn Bhd	-	2,630,900	0.43
26	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	2,427,588	0.40
27	HSBC Nominees (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	2,000,000	0.33
28	Citigroup Nominees (Tempatan) Sdn Bhd	Employees Provident Fund Board (RHB INV)	2,000,000	0.33
29	Amsec Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad	Pacific Pearl Fund	1,990,100	0.33
30	OSK Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd	Exquisite Holdings Limited	1,827,000	0.30

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling		
	· Direct interest	29,845,278	5.10
	· Deemed interest ^{#a}	240,466,059	41.13
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
	· Direct interest	-	-
	· Deemed interest ^{#b}	270,311,337	46.23
3	Sarena Cheah Yean Tih		
	· Direct interest	5,000	*
	· Deemed interest ^{#c}	270,240,337	46.22
4	Evan Cheah Yean Shin		
	· Direct interest	66,000	0.01
	· Deemed interest ^{#c}	270,240,337	46.22
5	Sungei Way Corporation Sdn Bhd	240,395,059	41.11
6	Timah Dunia Dredging Sdn Bhd ^{#d}	240,395,059	41.11
7	Active Equity Sdn Bhd ^{#e}	240,395,059	41.11

NOTES:

^{#a} Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd and children

^{#b} Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd, spouse and children

^{#c} Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn Bhd, Timah Dunia Dredging Sdn Bhd, Sungei Way Corporation Sdn Bhd and parent

^{#d} Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Sungei Way Corporation Sdn Bhd

^{#e} Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Timah Dunia Dredging Sdn Bhd and Sungei Way Corporation Sdn Bhd

* Negligible

Analysis of Warrantholdings

As at 26 April 2011

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants Held	% of Warrantholdings
Less than 100	262	9.14	11,640	0.01
100 - 1,000	522	18.21	328,006	0.13
1,001 - 10,000	1,302	45.41	5,970,469	2.42
10,001 - 100,000	624	21.77	21,377,141	8.67
100,001 - 12,330,550 (Less than 5% of warrants in issue)	154	5.37	73,888,060	29.96
12,330,551 (5%) and above	3	0.10	145,035,699	58.81
	2,867	100.00	246,611,015	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	Name of Beneficial Owners	No. of Warrants	%
1 Sungei Way Corporation Sdn Bhd	-	112,603,499	45.66
2 ABB Nominee (Tempatan) Sdn Bhd	Sungei Way Corporation Sdn Bhd	20,000,000	8.11
3 Oriental Dragon Enterprises Inc.	-	12,432,200	5.04
4 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	9,436,449	3.83
5 Lee Kek Ming	-	2,500,000	1.01
6 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd	Singular Asia Flexible Fund	2,200,000	0.89
7 Dato' Chew Chee Kin	-	2,013,433	0.82
8 Sungei Way Corporation Sdn Bhd	-	1,851,294	0.75
9 Tee See Kim	-	1,850,000	0.75
10 Cimsec Nominees (Tempatan) Sdn Bhd - CIMB	Lee Chee Wai	1,800,953	0.73
11 Ng Hok Long @ Ng Hock Leong	-	1,666,100	0.68
12 Lee Chee Wai	-	1,616,033	0.66
13 Ong Hung Hock	-	1,500,000	0.61
14 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd	Hwang DBS Select Opportunity Fund	1,326,000	0.54
15 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd	Singular Value Fund	1,300,000	0.53
16 Public Invest Nominees (Asing) Sdn Bhd - Public Securities Limited	Jefferson Agencies Limited	1,215,000	0.49
17 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling	-	1,092,414	0.44
18 Tokio Marine Life Insurance Malaysia Bhd	-	1,000,000	0.41
19 Chong Cheng Sing	-	960,000	0.39
20 Tee See Kim	-	950,000	0.39

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (contd.)

	Name of Warrantholders	Name of Beneficial Owners	No. of Warrants	%
21	OSK Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd	Exquisite Holdings Limited	920,666	0.37
22	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd	OSK - UOB Emerging Opportunity Unit Trust	900,000	0.36
23	Aneka Lancar Sdn Bhd	-	899,182	0.36
24	RHB Capital Nominees (Tempatan) Sdn Bhd	Choong Foong Ming	811,600	0.33
25	Public Nominees (Tempatan) Sdn Bhd	Toh Dee Kong	700,000	0.28
26	HDM Nominees (Tempatan) Sdn Bhd	Oh Kim Sun	700,000	0.28
27	Wong Peng Yew	-	700,000	0.28
28	Lim Peck Hoon	-	684,333	0.28
29	Peh Ah Chuan	-	680,000	0.28
30	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN	American International Assurance Berhad	676,800	0.27



ANNUAL

310

Notice of 33rd Annual General Meeting

Proxy Form



GENERAL MEETING

Notice of 33rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 33rd Annual General Meeting of SUNWAY HOLDINGS 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 Tuesday, 28 June 2011 at 3.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon. (Ordinary Resolution 1)
2. To approve the payment of Directors' fees and gratuities amounting to RM108,000 and RM102,000 respectively for the financial year ended 31 December 2010. (Ordinary Resolution 2)
3. To re-elect the following Directors:-
 - 3.1 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 3)
 - 3.2 Dato' 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 4)
4. 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 5)
5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. ORDINARY RESOLUTION:

Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 7)

7. ORDINARY RESOLUTION:

Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 6 June 2011 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act, 1965 ("the Act"), the Company's Memorandum and Articles of Association and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 8)

8. 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;

Notice of 33rd Annual General Meeting

- (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 9)

By Order of the Board

PUAN SRI DATIN SERI (DR) SUSAN CHEAH SEOK CHENG (MIA 5601)

TAN KIM AUN (MAICSA 7002988)

LEE SUAN CHOO (MAICSA 7017562)

Company Secretaries

Petaling Jaya

6 June 2011

NOTES:

1. A member of the Company entitled to attend and vote, is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy 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 7 - Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the issued share capital of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

As at the date of this notice, no new shares were issued pursuant to the mandate granted at the last Annual General Meeting held on 29 June 2010.

2. Ordinary Resolution 8 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 6 June 2011.

3. Ordinary Resolution 9 - Proposed Authority for the Purchase of Own Shares by the Company

The details on the proposed authority for the purchase of own shares by the Company are set out in the Circular to Shareholders dated 6 June 2011.

PROXY FORM

33rd Annual General Meeting

Number of share(s) held	
CDS Account No.	



SUNWAY HOLDINGS BERHAD (37465-A)
(Incorporated in Malaysia)
Registered Office:
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 46150 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 5639 8889 / 5639 8845
Fax : (603) 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 and entitled to vote hereby appoint
(Please use Block Letters)

*NRIC No./Passport No. Tel./Mobile No.....

of
or failing him/her, the Chairman of the Meeting as my/our 1st proxy to attend and vote for me/us on my/our behalf at the 33rd 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 Tuesday, 28 June 2011 at 3.30 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 and entitled to vote hereby appoint
(Please use Block Letters)

*NRIC No./Passport No. Tel./Mobile No.....

of
or failing him/her, the Chairman of the Meeting as my/our 2nd proxy to attend and vote for me/us on my/our behalf at the 33rd 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 Tuesday, 28 June 2011 at 3.30 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.

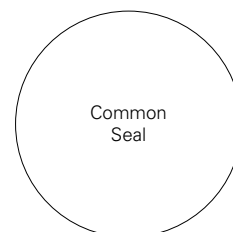
* Delete if inapplicable

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 31 December 2010 together with the Directors' and Auditors' Reports thereon				
2.	To approve the payment of Directors' fees and gratuities				
3.	To re-elect the following Directors:- Dato' Tan Kia Loke				
4.	Dato' Yau Kok Seng				
5.	To approve the re-appointment of Datuk Abdul Malek Bin Abdul Aziz as Director				
6.	To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration				
7.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965				
8.	To approve the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
9.	To authorise the purchase of own shares by the Company				

Dated this day of 2011



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 (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original form shall also be deposited at the Registered Office, either by hand or post not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

PLEASE FOLD HERE

STAMP

THE COMPANY SECRETARY
SUNWAY HOLDINGS BERHAD (37465-A)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
46150 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PLEASE FOLD HERE

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/

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 No. 10071, Mukim Batang Kali,
44300 Daerah Ulu Selangor,
Selangor Darul Ehsan.
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 No. 10071, Mukim Batang Kali,
44300 Daerah Ulu Selangor,
Selangor Darul Ehsan.
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. 105, Hangtouw Road, Damaiwan Industrial Park Hangtouw
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 & Xin Gang Zone, Bai Jiao Science Technology
Factory: Industrial Park, DouMen District, ZhuHai City
Guangdong Province, 519180 China

QUARRYING DIVISION

SUNWAY QUARRY INDUSTRIES SDN BHD

SUNWAY QUARRY (KUALA KANGSAR) SDN BHD

(Formerly known as Kualiti Klasik Sdn Bhd)

SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD

(Formerly known as Arsa Teknik (Melaka) Sdn Bhd)

SUNWAY QUARRY INDUSTRIES (TAIPING) SDN BHD

(Formerly known as 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) 8210 9889

Rawang: PT 11894, 12139, 12054
Mukim Rawang, Daerah Gombak
Selangor Darul Ehsan, Malaysia
Tel: (603) 6733 9888 Fax: (603) 6733 9888

Cheras: Kompartment 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) 9520 9888

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: (609) 835 8888

Taiping: Batu 6, Jalan Batu Kurau
34600 Kamunting, Perak Darul Ridzuan, Malaysia
Tel: (605) 810 9888 Fax: (605) 810 9889

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 2222 041

SUNGEI WAY OCEAN JOINT-VENTURE LTD

Nui Dinh Quarter, Kim Dinh Ward, Ba Ria Town
Ba Ria Vung Tau Province, Vietnam
Tax code : 3500 100 417
Tel: (84-64) 382 8079 Fax: (84-64) 382 7889

SUNWAY HATAY CONSTRUCTION & BUILDING MATERIALS JV CO. LTD

(Quarrying and Manufacturer of Ready Mixed Concrete)

Head Office: No. 32, Group 42, Collective Quarter of the
University of Public Security Trung Hoa Ward
Cau Giay District, Hanoi, Vietnam
Tel: (84) 4 3553 9173 Fax: (84) 4 3553 9174

Quarry: Xuan Mai, Hanoi, Vietnam
Tel: (84-34) 676 498 Fax: (84-34) 676 499

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

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

SUNWAY CONSTRUCTION CARIBBEAN LTD

33, St. Clair Avenue, St. Clair, Port of Spain Trinidad, W.I.
Tel: (868) 622 1193 Fax: (868) 622 1652
Email: admin@sunwaycaribbean.com

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

SUNWAY SMARTEK SDN BHD*

SUNWAY SMARTEK MARKETING SDN BHD*
Level 9
Tel: (603) 5639 9999 Fax: (603) 5639 9531

SUNWAY ENGINEERING SDN BHD - Abu Dhabi Branch

P.O. Box 131139, Abu Dhabi, UAE

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

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

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 FOUNDATION ENGINEERING CO. LTD

Alameda Dr. Carlos D'Assumpcao
No. 180, 10 Andar, 110 Edif. Centro Com. Tong Nam Ah, Macau
Tel: (853) 723428 Fax: (853) 723429

PT SUNWAY YASA PMI PILE

Jln. Taman Lebak Bulus II
No. 16, Lebak Bulus
Jakarta Selatan 12440
Indonesia

PT. SUNWAY CONSTRUCTION ENGINEERING

Jl. Kosambi Timur, No. 47,
Kompleks Pergudangan Sentra Kosambi,
Blok H1, No. A, Dadap, Tangerang, Indonesia
Tel: (62 21) 5595 5445 Fax: (62 21) 5595 5447

Site Office: Pelabuhan Ratu at Jalan PLTU,
Kampung Benteng. Jayanti,
Pelabuhan Ratu, Sukabumi, Jawa Barat
Tel: (62 26) 6433 887 Fax: (62 26) 6435 060

SUNWAY GEOTECHNICS (S) PTE LTD (2009207332)

No. 4, Tampines Industrial Street 62
Singapore 528817

SHANGHAI XINHETAI CONSTRUCTION LTD

SUNWAY GD FOUNDATION ENGINEERING TECHNICAL ADVISORY (SHANGHAI) 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

SUNWAY CONCRETE PRODUCTS (S) PTE LTD

4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482

MARBLE AND GRANITE

SUNWAY CREATIVE STONES SDN BHD

SUNWAY DIMENSION STONES SDN BHD

Lot 9, Jalan TUDM, Subang New Village,
40150 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel: (603) 7846 7662 Fax: (603) 7846 7708

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

SUNWAY CREATIVE STONES SDN BHD - Abu Dhabi Branch

P.O. Box 127806, Abu Dhabi, UAE

HOSPITALITY

SUNWAY HOTEL HANOI, VIETNAM

19, Pham Dinh Ho Street, Hai Ba Trung District, Hanoi, Vietnam
Tel: (844) 3971 3888 Fax: (844) 3971 3555
E-mail: enquiryshh@sunwayhotels.com
Website: www.sunwayhotels.com

PROPERTY DEVELOPMENT AND INVESTMENT

SHAHAWAN (M) SDN BHD*

Level 16
Tel: (603) 5639 8889 Fax: (603) 5639 9507

SUNWAYMAS SDN BHD* (130027-K)

Head Office:

Level 5, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan.
Tel: (603) 5639 9998 Fax: (603) 5639 9552
Email: sunwaymaseng@sunway.com.my
Website: www.sunwaymas.com.my

SUNWAY PJ51A SDN BHD (120068-A)

(formerly known as Sungei Way Resources Sdn Bhd)

SUNWAY PJ@51A

Sales Gallery:

Jalan SS19A/14, SS9, 47300 Petaling Jaya, Selangor.
Tel: (603) 7877 2633 Fax: (603) 7877 2533

SUNWAY BANGI SDN BHD* (215920-W)

Sales Gallery:

33-G-1, Jalan Medan PB1A,
43650 Bandar Baru Bangi, Selangor.
Tel: (603) 8925 3998 Fax: (603) 8925 7998

SUNWAY RYDGEWAY SDN BHD (771561-H)

(formerly known as Sunway Greenview Sdn Bhd)

Sales Gallery:

332 Lorong Serawak Melawati Urban 1,
53100 Kuala Lumpur.
Tel: (603) 4147 5722 Fax: (603) 4147 5752

SUNWAY TERMUNING SDN BHD* (649129-D)

SUNWAY RAWANG HEIGHTS SDN BHD* (157501-K)

SUNWAY KANCHING HEIGHTS SDN BHD* (76395-P)

PEMBANGUNAN RISJAYA SDN BHD* (258922-A)

MUJURMAS SDN BHD* (206849-D)

EAGLEFIELD SDN BHD* (187153-V)

GENEBA DUA SDN BHD* (423383-A)

ANALISA KEKAL SDN BHD (795327-T)

Level 5, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan.
Tel: (603) 5639 9998 Fax: (603) 5639 9552

SUNWAY LAND (CHINA) LIMITED (1390512)

Registered address:

16th -19th Floors, Prince's Building,
10 Chater Road, Central Hong Kong

Head Office:

Level 5, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 9998 Fax: (603) 5639 9552

SUNWAY DEVELOPMENTS PTE LTD
4, Tampines Industrial Street 62, Singapore 528817
Tel: (02) 6582 8089 Fax: (02) 6581 0482

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 2862

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) 333 759/325 759/328 759
Fax: (6084) 312 759

Miri: Lot 1993, Jalan Piasau Utara 4
SEDC Industrial Estate,
98000 Miri, Sarawak, Malaysia
Tel: (6085) 656 364/656 292/659 197
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: Kuching: Lot 496, SL 5, Jalan Muara Tuang
(Opp Hai Ming), 7.5 miles,
93450 Kuching, Sarawak, Malaysia
Tel: (6082) 381 673 Fax: (6082) 381 715

Lahad Datu: Lot No.123, Phase 3, Jalan Silan
91000 Lahad Datu, Sabah, Malaysia
Tel: (089) 867 924

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 PHARMA SDN BHD (802483-M)
Office:
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SUNWAY MARKETING (S) PTE LTD
19 Senoko South Road, Singapore 758078
Tel: (65) 6758 5454 Fax: (65) 6257 8759
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SUNWAY MARKETING (THAILAND) LTD
199/1 Soi Prayasurane 35, Prayasurane Road,
Bangchan, Klongsamwa, Bangkok 10510, Thailand
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SUNWAY MARKETING (THAILAND) LTD - Rayong Branch
267/107 Sukhumvit Road, Mabatpud, Muang Rayong
Rayong 21150, Thailand
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SUNWAY MARKETING (THAILAND) LTD - Chonburi Branch
53/23,25 Moo 9, Tambon Tungskukha,
Amper Siracha , Chonburi, Thailand
Tel: (663) 849 2701-2 Fax: (663) 849 2703
E-mail: sompong@sunflex.co.th

PT SUNWAY TREK MASINDO
Jl. Kosambi Timur No. 47
Kompleks Pergudangan Sentra Kosambi, Blok H1 No. A
Kosambi Timur, Dadap - Tangerang, 15211
Indonesia
Tel: (62) 21 5595 5445 Fax: (62) 21 5595 5447

PT SUNWAY TREK MASINDO - Balikpapan Branch
Jl. M.T. Haryono 20-24 Kelurahan Damai
Balikpapan 76126, Indonesia
Tel: (62) 542 875 773/ 542 873 783/ 542 872 708
Fax: (62) 542 875 585 E-mail: ipsales@sunway.com.my

PT SUNWAY TREK MASINDO - Pekanbaru Branch
Komplek Pergudangan Avian 3 in 1 Blok D-06
Jl. Aengka 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. Margomulyo 44 Blok OO-6
Komplek Pergudangan Suri Mulia Permai
Surabaya, 60183 Indonesia
Tel: (62) 31 749 5682/31 749 6954/ 31 749 7106
Fax: (62) 31 748 1459
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
Komplek Palembang Star Blok A.2 No.7
Jl. Letnan Harun Sohar Tanjung Api-Api KM.1.3
Palembang, 30139 Indonesia
Tel: (62) 711 421 179 Fax: (62) 711 411 038
E-mail: ipsales@sunway.com.my

PT SUNWAY TREK MASINDO - Samarinda Branch
Jl. I.R Sutami Pergudangan II, Blok U2
Samarinda, 75126 Kalimantan Timur, Indonesia
Tel: (62) 0541 270 090/ 541 271 656/ 541 270 585
Fax: (62) 0541 270 585 E-mail: ipsales@sunway.com.my

PT SUNWAY TREK MASINDO - Pangeran Jakarta Branch
Jl. Pangeran Jayakarta 26 Blok A No.12 & 13
Kelurahan Mangga 2 Selatan, Kecamatan Sawah Besar
Jakarta Pusat 10730
Tel: (62) 21 6240 288 Fax: (62) 21 6240 287
E-mail: ipsales@sunway.com.my

PT SUNWAY TREK MASINDO - Sorong Branch
Gedung Ringo, Jalan Ahmad Yani No. 28 Sorong 98414
Tel: (62) 951 333 117 E-mail: ipsales@sunway.com.my

PT SUNWAY FLOWTECH
Complex Union Industrial Park,
Blok A No.1, Batu Ampar, Batam, Indonesia
Tel: (62) 778 413 989
Email: aliang@sunway.com.my

India:
SUNWAY OPUS INTERNATIONAL TRADING
PRIVATE LIMITED (U51909AP2010FTCO69882)

Registered address:
1st Floor, Block "A" Palace View Estate, 8-2-120,
Road No. 2, Banjara Hills, Hyderabad, 500 034, India

Head Office:
Level 11, Menara Sunway, Jalan Lagoon Timur,
Bandar Sunway, 46150 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 9997 Fax: (603) 5639 9522

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 INTERNATIONAL TRADING (TIANJIN) PTE LTD
No.8 South Xunhai Road, Dongli District, Tianjin,
Zip: 300300, China
Tel: (8622) 5866 6900 / 5866 6901 Fax: (8622) 5866 6902
Website: www.sunflexhose.com

SUNWAY ENTERPRISE (1988) SDN BHD
Lot 656, Jalan Subang 1, Off Persiaran Subang,
47600 Subang Jaya, Selangor Darul Ehsan, Malaysia.
Tel: (603) 5633 1909 Fax: (603) 5633 1908

Penang No. 16 & 18, Jalan Perusahaan Ringan Juru
Branch: 1, Taman Perusahaan Ringan Juru,
14100 Bukit Tengah, Penang, Malaysia.
Tel: (604) 5073 830 Fax: (604) 5073 930

Kota Lot 11, Ground Floor, Taman Jaya Usaha,
Kinabalu Jalan Bakau, Off Mile 5 1/2, Jalan Tuaran,
Branch: 88450 Kota Kinabalu, Sabah, Malaysia.
Tel: (6088) 430 988 Fax: (6088) 431 908

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 77B & 77H Thomas Mitchell Drive
Wodonga: 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 Birrlee 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:
Launceston: 3 Merino Street, Kingsmeadows, Launceston
TAS 7249, 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

PACIFIC FLOW TECHNOLOGY PTY LTD
9 Elsum Avenue, Bayswater, VIC 3153, Australia
Tel: (613) 9729 1225 Fax: (613) 9729 0221
Email: kerry@pacfloitech.com.au

FINANCIAL AND INSURANCE SERVICES

SUNWAY LEASING SDN BHD*
SWL NOMINEES (TEMPATAN) SDN BHD*
SUNWAY CREDIT SDN BHD*
Level 15
Tel: (603) 5639 8899 Fax: (603) 5639 9608

SUNWAY RISK MANAGEMENT SDN BHD*
SUNWAY CAPTIVE INSURANCE LTD* (LL07119)
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*
SUNWAY INTEGRATED OUTSOURCING SDN BHD* (414012-T)
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

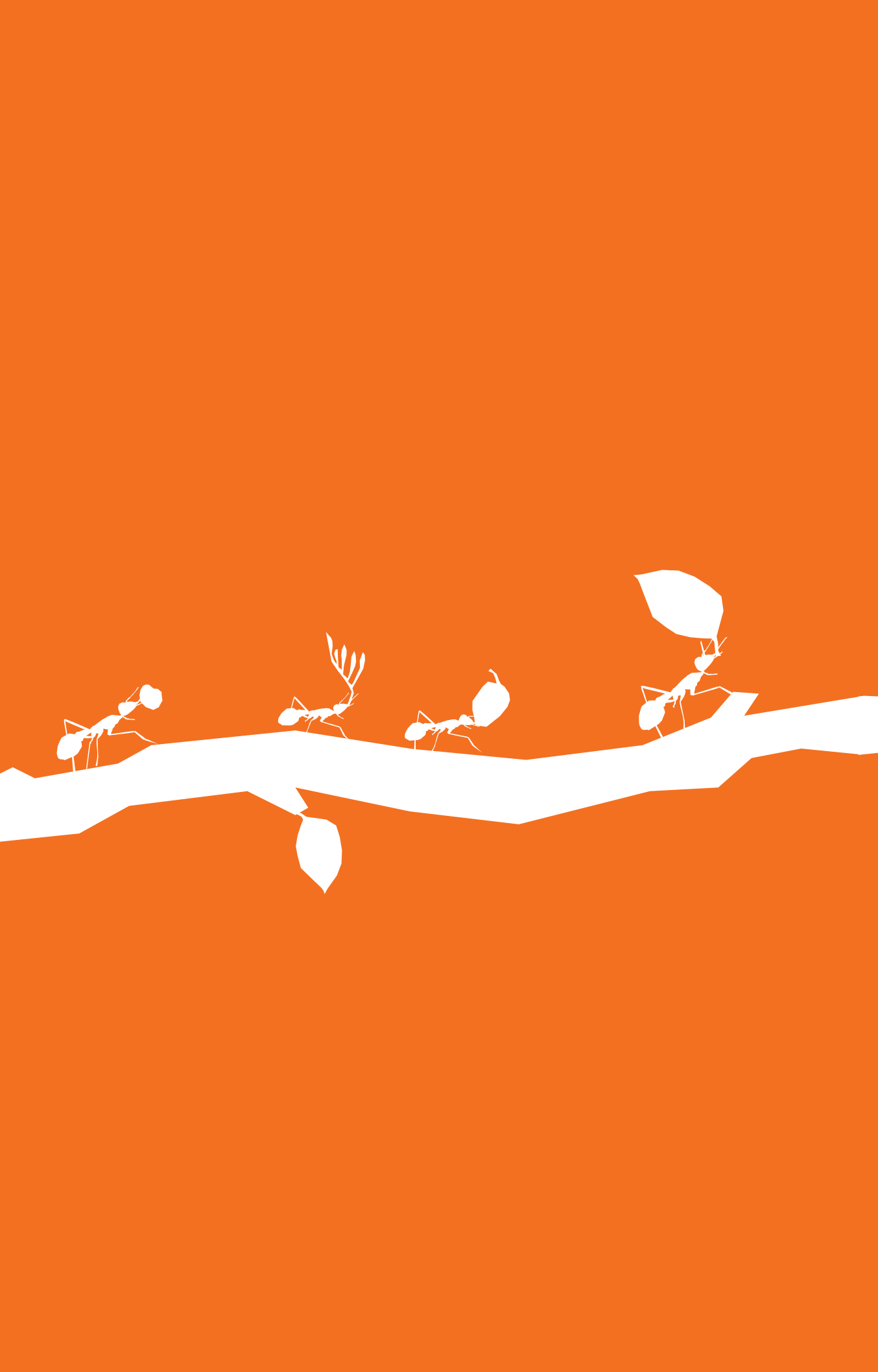
IT SSC: Level 4.1 & Level 4.3
Tel: (603) 5639 8822 Fax: (603) 5639 9293

Client Services and Support Management:
Level 4.3
Tel: (603) 5639 8822 Fax: (603) 5639 9293

OTHERS

SUNWAY SUPPLY CHAIN ENTERPRISE SDN BHD (396751-M)
Level 18 Menara Sunway, Jalan Lagoon Timur, Bandar
Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan,
Malaysia
Tel: (603) 5639 8889 Fax: (603) 5639 9503

NOTE: Companies marked with asterisk (*) are located at Menara
Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling
Jaya, Selangor Darul Ehsan, Malaysia



www.sunway.com.my



Sunway Holdings Berhad (37465-A)

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

T: (603) 5639 8889 F: (603) 5639 9507