



SUNWAY BERHAD (921551-D) [Formerly known as ALPHA SUNRISE SDN BHD]

www.sunway.com.my



SUNWAY

SUNWAY BERHAD (921551-D)

(Formerly known as ALPHA SUNRISE SDN BHD)
(Incorporated in Malaysia under the Companies Act, 1965)

LISTING OF SUNWAY BERHAD (FORMERLY KNOWN AS ALPHA SUNRISE SDN BHD)
ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

Joint Principal Advisers



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



RHB Investment Bank Berhad

(19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. FOR INFORMATION CONCERNING CERTAIN RISKS RELATING TO OUR SHARES, WARRANTS AND BUSINESSES, SEE "RISK FACTORS" IN SECTION 5 OF THIS PROSPECTUS. THIS DOCUMENT IS ISSUED FOR INFORMATION PURPOSES ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES IS OR WILL BE MADE ON THE BASIS OF THIS DOCUMENT. THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

This Prospectus is dated 18 August 2011

P R O S P E C T U S

SUNWAY BERHAD (921551-D)

(Formerly known as ALPHA SUNRISE SDN BHD)

Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, Malaysia. T (603) 5639 8889 F (603) 5639 9507



RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS HAVE REVIEWED AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY AND CORRECTNESS OF THE INFORMATION GIVEN IN THIS PROSPECTUS. THEY CONFIRM, AFTER MAKING ALL REASONABLE ENQUIRIES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE OR MISLEADING.

CIMB INVESTMENT BANK BERHAD ("**CIMB**") AND RHB INVESTMENT BANK BERHAD ("**RHB INVESTMENT BANK**") ("**JOINT PRINCIPAL ADVISERS**" COLLECTIVELY), BEING THE JOINT PRINCIPAL ADVISERS, ACKNOWLEDGE THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS IN CONNECTION WITH OUR LISTING ON BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") ("**LISTING**").

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION ("**SC**") HAS APPROVED OUR LISTING AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE LISTING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY ("**SHARES**") AND WARRANTS IN OUR COMPANY ("**WARRANTS**") OR THE LISTING.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US. THE SC ALSO TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS AND MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS THAT YOU MAY SUFFER AS A RESULT OF YOUR RELIANCE ON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE LISTING AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.

THE VALUATION INCLUDED IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE SUBJECT ASSETS.

OUR COMPANY HAS OBTAINED THE APPROVAL FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR OUR SHARES AND WARRANTS. OUR ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF OUR COMPANY, OUR SHARES, OUR WARRANTS, THE ACQUISITION (AS DEFINED HEREIN) OR THE LISTING.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**").

THIS PROSPECTUS HAS ALSO BEEN LODGED WITH THE COMPANIES COMMISSION OF MALAYSIA WHICH TAKES NO RESPONSIBILITY FOR ITS CONTENTS. THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT www.bursamalaysia.com.

OUR SECURITIES TO BE LISTED ON BURSA SECURITIES ARE DISTRIBUTED TO THE RESPECTIVE SHAREHOLDERS, WARRANT HOLDERS AND EMPLOYEES' SHARE OPTION SCHEME OPTION HOLDERS OF SUNWAY CITY BERHAD AND SUNWAY HOLDINGS BERHAD PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE LISTING FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS DOES NOT COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THIS PROSPECTUS IS NOT INTENDED TO BE ISSUED, CIRCULATED OR DISTRIBUTED, AND THE ISSUANCE WILL NOT BE MADE IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA OR TO PERSONS WHO ARE SUBJECT TO THE LAWS OF ANY COUNTRY OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. THE ISSUANCE TO WHICH THIS PROSPECTUS RELATES IS ONLY AVAILABLE TO PERSONS RECEIVING THIS PROSPECTUS WITHIN MALAYSIA.

WE WILL NOT MAKE OR BE BOUND TO MAKE ANY ENQUIRY IN RESPECT OF THE ISSUANCE AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA. WE WILL NOT ACCEPT ANY LIABILITY WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION TO IT. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE ISSUANCE WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OR JURISDICTIONS OTHER THAN MALAYSIA.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT THE ISSUANCE WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED TO. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE ISSUANCE IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION TO IT.

(The rest of this page has been intentionally left blank)

GENERAL INFORMATION AND INDICATIVE TIMETABLE

Please refer to "Definitions" commencing on pages vii to xiii respectively, for defined terms.

On 24 November 2010, we made offers to both SunCity and SunH with the aim of merging SunCity and SunH.

On 18 January 2011, we entered into a Sale of Business Agreement with SunCity and with SunH respectively.

As at 15 July 2011, being the latest practicable date prior to the registration of our Prospectus, we, SunCity and SunH have received all requisite approvals for the Acquisition, the Capital Reduction and Repayment, the Warrant Scheme and the ESOS Termination. The Sale of Business Agreement became unconditional on 24 June 2011 and as at the date of this Prospectus, the Acquisition is completed. On completion of the Acquisition, we own the SunCity Business and the SunH Business. The completion of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination takes place on the same day as the completion of the Acquisition.

Pursuant to the Acquisition, a total of 1,292,505,002 Shares is issued as part of the Consideration with the remainder of the Consideration being satisfied in cash, as described in Section 4.4 of this Prospectus. A total of 258,501,000 Warrants is issued for free on the basis of 1 Warrant for every 5 Shares issued as part of the Consideration. The Issuance is made directly to the Entitled Holders as nominated by SunCity and SunH respectively to be the recipients of the Consideration as part of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination.

We have set out below the total number of our Shares, cash and Warrants that are issued and paid to SunCity and SunH and/or their respective nominees.

Company	Our Shares	Cash	Our Warrants
		RM	
SunCity	742,026,045	519,418,232	148,405,209
SunH	550,478,957	385,335,270	110,095,791
Total	1,292,505,002	904,753,502	258,501,000

The timing of events leading up to our Listing is as follows:

Events	Date
Announcement of the Entitlement Date	11 July 2011
Entitlement Date	8 August 2011
	Tentative Date
Listing of our Shares and Warrants	23 August 2011

The Shares and Warrants will be credited into your CDS account(s) prior to the listing of our Shares and Warrants on the Main Market of Bursa Securities.

You do not need to take any action nor make any payment to receive our Shares and Warrants.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All defined terms used in this Prospectus are defined under “**Presentation of financial and other information**”, “**Definitions**” and “**Glossary of technical terms**” commencing on pages iv, vii and xiv respectively.

All references to “**you**” are to the Entitled Holders; references to “**our Company**” and “**Sunway**” are to Sunway Berhad; references to “**Sunway Group**”, “**the Group**” and “**our Group**” in this Prospectus are to our Company and our subsidiaries and associate companies upon completion of the Acquisition; and references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and save where the context otherwise requires, shall include our subsidiaries and associate companies upon completion of the Acquisition. References to “**our subsidiaries**” and “**our associate companies**” are to our subsidiaries and associate companies respectively upon completion of the Acquisition. Unless the context otherwise requires, references to “**Management**” are to our Directors and key management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to shares or treasury shares in respect of SunCity and SunH are to the ordinary shares or treasury shares of SunCity and SunH. All references to shareholders in respect of SunCity and SunH are to the shareholders of SunCity and SunH.

All references to the “**Government**” are to the Government of Malaysia; references to “**Ringgit**”, “**Ringgit Malaysia**”, “**RM**” and “**sen**” are to the lawful currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Other abbreviations used are defined in the “**Definitions**” section appearing on pages vii to xiii of this Prospectus while certain acronyms and technical terms used are defined in the “**Glossary of technical terms**” section appearing on page xiv of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulation, enactment or rules of stock exchange for the time being in force.

All references to dates and times are references to dates and times in Malaysia.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by Infobusiness Research & Consulting Sdn Bhd for inclusion in this Prospectus. We had appointed Infobusiness Research & Consulting Sdn Bhd to provide an independent market and industry review. In compiling their data for the review, Infobusiness Research & Consulting Sdn Bhd relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help you understand the major trends in the industry in which we operate. However, we and our advisers have not independently verified these figures.

Further, certain background information on substantial shareholders contained in this Prospectus was obtained from publicly available sources, which neither we nor our advisers have verified.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Further, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. You should not place undue reliance on the third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION (cont'd)

The information on our website or the websites of any of SunCity or SunH or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

All references to the "LPD" in this Prospectus are to 15 July 2011, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

All the information set out in this Prospectus is presented as of the LPD, unless otherwise indicated.

All references to the "**year ended/ending**" in this Prospectus are to the respective financial year ended or ending 30 June or 31 December, as the case may be. References to the "**period ended/ending**" in this Prospectus are to the financial period in the number of months as stated in this Prospectus.

(The rest of this page has been intentionally left blank)

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, financial estimates, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) the demand for our products and services and general industry environment;
- (ii) our business strategies, trends and competitive position;
- (iii) plans and objectives of our Management for future operations;
- (iv) our financial position;
- (v) the regulatory environment and the effects of future regulation; and
- (vi) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally;
- (ii) government policy, legislation or regulation;
- (iii) interest rates, foreign exchange rates and tax rates;
- (iv) the competitive environment in our industry;
- (v) delays, cost overruns, shortages in labour or problems with the execution of our growth plans;
- (vi) the activities and financial health of our customers and suppliers;
- (vii) fixed and contingent obligations and commitments; and
- (viii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Sections 5 and 9 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus. Subject to us complying with the provisions of Section 238 of the CMSA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard to it or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Act	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
Acquisition	:	Acquisition of the SunCity Business and SunH Business, collectively, based on the terms and conditions set forth in the Sale of Business Agreements
Active Builder	:	Active Builder Sdn Bhd (111691-V)
Active Equity	:	Active Equity Sdn Bhd (92492-K)
ASEAN	:	Association of Southeast Asian Nations
Assets	:	All the assets of SunCity and SunH comprising all cash and short-term funds (whether in Deposit Accounts or otherwise), deposits and placements with financial institutions, investment securities being money market instruments, quoted and unquoted securities (including government, corporate and other bonds) and shares, including all shares of their subsidiaries and associated companies, loans and advances, any accrued interest on the foregoing assets that has not yet been received as of the Completion and in relation to Deposit Accounts, interest that has accrued but remains unposted as of Completion, outstanding purchase contracts, other assets by way of debtors, receivables, prepayments, tax recoverable, deposits, all concession, licence and other contracts, undertakings, arrangements, agreements, rights and entitlements including Business Agreements in connection with SunCity Business and SunH Business, all fixed assets including lands and those other fixed assets including assets utilised for the operation, administration or management of the businesses of SunCity and SunH by way of office furniture, fittings, equipment and renovations, data processing equipment, electrical and security equipment, motor vehicles, buildings-in-progress, plant and machinery, all intellectual property rights, including, without limitation, the rights to computer software owned by SunCity and SunH and used in or for the SunCity Business and SunH Business and all records so owned and used and any other assets not specifically described, including any claim, demand, judgment, award or legal proceedings by or obtained by SunCity and SunH against any person, body or corporation in Malaysia or any other country but excluding the Excluded Assets
Articles	:	Articles of Association of our Company
Board	:	Our Board of Directors
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
Business Agreements	:	All subsisting agreements, contracts, deeds, indentures, deed polls and/or instruments to which SunCity and SunH are/or were the party in relation to the SunCity Business and the SunH Business respectively, in each case to the extent that at Completion the same remain to be completed or performed or remain in force
Capital Reduction and Repayment	:	SunCity Capital Reduction and Repayment and SunH Capital Reduction and Repayment, collectively

DEFINITIONS (cont'd)

CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CIMB	:	CIMB Investment Bank Berhad (18417-M)
CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Mergers, 2010
Completion	:	Completion of the sale and purchase of the SunCity Business and SunH Business in accordance with the terms of the Sale of Business Agreements
Consideration	:	SunCity Consideration and SunH Consideration, collectively
Court	:	High Court of Malaya
Deed Poll	:	The deed poll dated 28 June 2011 constituting the Warrants
Deposit Accounts	:	Accounts, trust accounts and deposits, including the aggregate balances thereof and all liabilities (including the accrued interest thereof) with respect thereto held at or with banks, financial institutions, discount houses and/or any other person
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EGM	:	Extraordinary general meeting
Entitlement Date	:	8 August 2011
Entitled Holder(s)	:	Collectively, the Entitled Shareholders, Entitled Warrant Holders and the ESOS Options Holders
Entitled Shareholder(s)	:	The holders of SunCity Share and SunH Share whose names appear on the ROD of SunCity and SunH respectively as at the Entitlement Date
Entitled Warrant Holder(s)	:	The Warrant holders of SunCity and SunH whose names appear on the ROD of SunCity and SunH respectively as at the Entitlement Date
EPS	:	Earnings per share
ESOS	:	Employees' share option scheme
ESOS Termination	:	The cancellation of the ESOS Options and the termination of the ESOS of SunCity and SunH in consideration of the ESOS Options Holders being paid their entitlement to the Consideration
ESOS Option(s)	:	Option(s) issued under an ESOS
ESOS Options Holders	:	Holders of ESOS Options in SunCity and SunH, collectively

DEFINITIONS (cont'd)

Evan Cheah	:	Evan Cheah Yean Shin
Excluded Assets	:	Means assets of SunCity and SunH that do not form part of the sale and purchase and transfer and delivery of SunCity Business and SunH Business and remain the property of SunCity and SunH after Completion, which are as follows: (i) the designated account and balance thereof, (ii) SunCity Shares and SunH Shares held by SunCity and SunH in treasury (iii) such common seals, statutory records and corporate records required by law to be retained by SunCity and SunH and (iv) all rights of SunCity and SunH under the Sale of Business Agreements (including all rights in respect of the Consideration paid by us)
Exercise Price	:	Price at which 1 Warrant is exercisable into 1 new Sunway Share, being RM2.80 per Share, subject to the adjustments in accordance with the provisions of the Deed Poll
FRS	:	Malaysian Financial Reporting Standards
GIC	:	Government of Singapore Investment Corporation Pte Ltd
Government	:	Government of Malaysia
Issuance	:	Issuance of our Shares and Warrants to the Entitled Holders pursuant to the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination
Jef-San	:	Jef-San Enterprise Sdn Bhd (22878-U)
Joint Principal Advisers	:	CIMB and RHB Investment Bank, collectively
Liabilities	:	All debts, liabilities, duties and obligations of SunCity and SunH (whether in Malaysia or elsewhere and whether present or future, actual or contingent, ascertained or unascertained or disputed and whether owed or incurred severally or jointly and as principal or surety or otherwise howsoever), including (but not limited) to subordinated obligations, outstanding sales contracts, any tax (whether present, future or contingent and including clawbacks) payable, any obligation to pay, off-balance sheet items which have not crystallised or which may, in future, give rise to an indebtedness, any claim, demand, right of set-off or legal proceeding by any person against SunCity and SunH, and any amounts due to trade or other creditors and accrued charges relating thereto (whether or not invoiced and whether or not due and payable at that time), and for the avoidance of doubt, includes any and all liabilities of any nature whatsoever relating to the SunCity Business and SunH Business for which SunCity and SunH is or will become liable, whether or not such liability has arisen prior to the Completion or arises after Completion
Listing	:	The admission to the Official List and the listing of and quotation for our entire issued and paid-up share capital comprising 1,292,505,002 Shares and the listing of and quotation for 258,501,000 Warrants on the Main Market of Bursa Securities
LPD	:	15 July 2011, being the latest practicable date prior to the registration of our Prospectus
Main Market LR	:	Main Market Listing Requirements of Bursa Securities

DEFINITIONS (cont'd)

Market Day	:	Day on which Bursa Securities is open for securities trading
MITI	:	Ministry of International Trade and Industry, Malaysia
N/A	:	Not applicable
NA	:	Net assets
NTA	:	Net tangible assets
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PER	:	Price-earnings ratio
Progressive Traders	:	Progressive Traders Sdn Bhd (60549-A)
Promoters	:	Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, SWCSB, Timah Dunia, Active Equity, Active Builder, Jef-San, Progressive Traders and Timah Sini-Sana, collectively
Puan Sri Susan Cheah	:	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng
RHB Investment Bank	:	RHB Investment Bank Berhad (19663-P)
ROD	:	Record of Depositors of our Shares and Warrants, respectively
ROM	:	Register of Members
Sale of Business Agreement	:	Sale of business agreement entered into by our Company with SunCity on 18 January 2011 and with SunH on 18 January 2011, in relation to the Acquisition. " Sale of Business Agreements " shall mean the Sale of Business Agreements with SunCity and SunH collectively
Sarena Cheah	:	Sarena Cheah Yean Tih
SC	:	Securities Commission, Malaysia
SC Guidelines	:	SC's Equity Guidelines issued on 8 May 2009 (effective and updated on 3 August 2009)
Share(s)	:	Ordinary share(s) of RM1.00 each in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991
sq. ft.	:	Square feet

DEFINITIONS (*cont'd*)

SunCity	:	Sunway City Berhad (87564-X)
SunCity Business	:	All of the business and undertaking of SunCity carried on by SunCity as at 24 November 2010, including the Assets and Liabilities as at Completion
SunCity Capital Reduction and Repayment	:	Capital repayment by way of a capital reduction exercise to be carried out by SunCity in accordance with Section 64 of the Act, with the object of distributing to the entitled SunCity shareholders their entitlements to the SunCity Consideration
SunCity Consideration	:	As at the Completion, the consideration to be paid to SunCity with respect to the acquisition of the SunCity Business, being: <ul style="list-style-type: none"> (i) RM5.10 per SunCity Share multiplied by the outstanding SunCity Shares as at the Entitlement Date; (ii) equivalent to Black-Scholes valuation based on RM5.10 per SunCity Share and calculated by applying all the relevant variables as at 22 November 2010 for the ESOS Options multiplied by the outstanding number of ESOS Options issued (for every issue of the ESOS Options, batched by their respective conversion prices). The Black-Scholes values for the ESOS Options range from RM0.96 to RM4.10 per ESOS Option (subject to the respective conversion price of the ESOS Options); and (iii) equivalent to Black-Scholes valuation based on RM5.10 per SunCity Share and calculated by applying all the relevant variables as at 22 November 2010, being RM1.29 per SunCity warrant, multiplied by the outstanding number of SunCity warrants in issue as at the Entitlement Date
SunCity Group	:	SunCity and its subsidiaries, collectively
SunCity Share(s)	:	Ordinary shares of RM1.00 each in SunCity
Sungei Jaya	:	Sungei Jaya Sdn Bhd (59116-T)
SunH	:	Sunway Holdings Berhad (37465-A)
SunH Business	:	Entire business and undertaking of SunH carried on by SunH as at 24 November 2010, including the Assets and Liabilities as at Completion
SunH Capital Reduction and Repayment	:	Capital repayment by way of a capital reduction exercise to be carried out by SunH in accordance with Section 64 of the Act, with the object of distributing to the entitled SunH shareholders their entitlements to the SunH Consideration

DEFINITIONS (*cont'd*)

SunH Consideration	:	As at the Completion, the consideration to be paid to SunH with respect to the acquisition of the SunH Business, being: <ul style="list-style-type: none"> (i) RM2.60 per SunH Share multiplied by the outstanding SunH Share (less treasury shares) as at the Entitlement Date; (ii) equivalent to the Black-Scholes valuation based on RM2.60 per SunH Share and calculated by applying all the relevant variables as at 22 November 2010 for the ESOS Options multiplied by the 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 ESOS Options); and (iii) equivalent to the Black-Scholes valuation based on RM2.60 per SunH Share and calculated by applying all the relevant variables as at 22 November 2010, being RM1.50 per SunH warrant, multiplied by the outstanding number of SunH warrants in issue at the Entitlement Date
SunH Group	:	SunH and its subsidiaries, collectively
SunH Share(s)	:	Ordinary shares of RM1.00 each in SunH
Sunway or Company	:	Sunway Berhad (<i>formerly known as Alpha Sunrise Sdn Bhd</i>) (921551-D)
Sunway Group or Group	:	Sunway Berhad and its subsidiaries, collectively
Sunway Lagoon	:	An approximately 88 acres family-oriented theme park operated by Sunway Lagoon Sdn Bhd, one of our subsidiaries, located in Bandar Sunway, Selangor
Sunway REIT	:	Sunway Real Estate Investment Trust
SWCSB	:	Sungei Way Corporation Sdn Bhd (18105-V)
Tan Sri Jeffrey Cheah	:	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
Timah Dunia	:	Timah Dunia Dredging Sdn Bhd (56769-U)
Timah Sini-Sana	:	Timah Sini-Sana Sdn Bhd (53844-A)
U.S.	:	United States of America
Warrant(s)	:	Warrants to be issued by us pursuant to the Acquisition
Warrant Scheme	:	A scheme to pay the Entitled Warrant Holders their entitlement to the Consideration following the termination of the exercise rights and cancellation of the warrants of SunCity and SunH

DEFINITIONS (cont'd)**CURRENCIES**

AED	:	United Arab Emirates Dirham, the lawful currency of the United Arab Emirates
AUD	:	Australian Dollar, the lawful currency of Australia
Dong	:	Vietnamese Dong, the lawful currency of Socialist Republic of Vietnam
HKD	:	Hong Kong Dollar, the lawful currency of Hong Kong Special Administrative Region of China
IDR	:	Indonesian Rupiah, the lawful currency of the Republic of Indonesia
INR	:	Indian Rupees, the lawful currency of the Republic of India
K	:	Myanmar Kyat, the lawful currency of the Union of Myanmar
KHR	:	Cambodian Riel, the lawful currency of the Kingdom of Cambodia
MOP	:	Macau Pataca, the lawful currency of Macau Special Administrative Region of China
RM and sen	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
RMB	:	Renminbi, the lawful currency of the People's Republic of China
SGD	:	Singapore Dollars, the lawful currency of the Republic of Singapore
THB	:	Thai Baht, the lawful currency of the Kingdom of Thailand
TTD	:	Trinidad and Tobago Dollar, the lawful currency of the Republic of Trinidad and Tobago
USD	:	U.S. Dollar, the lawful currency of the United States of America
YEN	:	Japanese Yen, the lawful currency of Japan

(The rest of this page has been intentionally left blank)

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains terms used in this Prospectus as they relate to our businesses. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

10MP	:	10 th Malaysia Plan 2011-2015
BCA	:	Building and Construction Authority of Singapore
BTS	:	Build then sell
CCC	:	Certificate of completion and compliance
CIDB	:	Construction Industry Development Board
EIA	:	Environmental impact assessment
EPPs	:	Entry point projects
ETP	:	Economic Transformation Programme
GBI	:	Green Building Index
GDP	:	Gross domestic product
GDV	:	Gross development value
HDB	:	Housing and Development Board of Singapore
IBS	:	Industrialised building system
ISO	:	International Organisation for Standardisation, the world's largest developer and publisher of international standards
LEED	:	Leadership in Energy and Environment Design
LOHAS	:	Lifestyles of health and sustainability
LRT	:	Light rail transit
OHSAS	:	Occupational Health and Safety Assessment Series
PFI	:	Private finance initiative
PKK	:	Pusat Khidmat Kontraktor
STB	:	Sell then build

TABLE OF CONTENTS

	Page
1. CORPORATE DIRECTORY	1
2. INTRODUCTION	6
3. INFORMATION SUMMARY	7
3.1 Overview of our Group	7
3.2 Our competitive strengths	7
3.3 Business strategies, future plans and prospects	7
3.4 Financial information	8
3.5 Dividend policy	11
3.6 Details of our Issuance and Listing	12
3.7 Proceeds	12
3.8 Risk factors	12
4. DETAILS OF OUR LISTING	14
4.1 Timetable	14
4.2 Rationale for the Acquisition	14
4.3 Details of our Issuance	15
4.4 Distribution of the Consideration to the Entitled Holders	15
4.5 Share capital	16
4.6 Classes of shares, ranking and information on Warrants	17
4.7 Basis of arriving at the issue price of our Share and Exercise Price of our Warrants	19
4.8 General mandate pursuant to Section 132D of the Act	19
4.9 Underwriting arrangement	19
4.10 Objectives of our Listing	20
4.11 Proceeds	20
4.12 Estimated expenses pursuant to the Listing	20
4.13 Trading and settlement in the secondary market	20
5. RISK FACTORS	22
5.1 Risk factors relating to our securities	22
5.2 Risk factors relating to our businesses	25
6. BUSINESS OF OUR GROUP	34
6.1 Business overview	34
6.2 Our competitive strengths	40
6.3 Business strategies, future plans and prospects	42
6.4 Operating or trading mechanisms	45
6.5 Types, sources and availability of resources	47
6.6 Technology used and processes	47
6.7 Research and development	48
6.8 Quality assurance	49
6.9 Health, safety and environmental policy	64
6.10 Business location and summary of landed properties	65
6.11 Dependency on any contract and arrangements	65
6.12 Sales and marketing plans	65
6.13 Major suppliers	66
6.14 Major customers	66
6.15 Seasonality	67
6.16 Interruption in business in the past 12 months	67
7. INDUSTRY OVERVIEW	68

TABLE OF CONTENTS (*cont'd*)

	Page
8. VALUATION CERTIFICATES	98
9. FINANCIAL INFORMATION	233
9.1 Historical financial information	233
9.2 Management's discussion and analysis of financial condition and results of operations	237
9.3 Capitalisation and indebtedness	267
9.4 Dividend policy	267
9.5 Reporting Accountants' Letter on the proforma consolidated financial information	269
10. INFORMATION ON OUR GROUP	280
10.1 History and background	280
10.2 Subsidiaries, jointly controlled entities and associated companies	287
11. INFORMATION ON OUR DIRECTORS, KEY MANAGEMENT, PROMOTERS AND SUBSTANTIAL SHAREHOLDERS.....	308
11.1 Board of Directors	308
11.2 Key management	337
11.3 Promoters	346
11.4 Substantial shareholders	353
11.5 Changes in Promoters' and substantial shareholders' shareholdings in our Company since incorporation up to the Issuance	355
11.6 Relationships or associations between our Directors, key management, substantial shareholders and Promoters	357
11.7 Declaration by our Directors, key management and Promoters	358
11.8 Employees	358
12. APPROVALS AND CONDITIONS	361
12.1 Approvals and conditions	361
13. DIRECTORS' REPORT	368
14. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTERESTS	369
14.1 Related party transactions	369
14.2 Conflict of interests	389
14.3 Monitoring and oversight of related party transactions and conflict of interest.....	409
14.4 Declaration by advisers on conflict of interests	410
15. ADDITIONAL INFORMATION	413
15.1 Share capital	413
15.2 Extracts of Articles of Association	413
15.3 Limitation on the right to hold securities and/or exercise voting rights	416
15.4 Material litigation	417
15.5 Material contracts	418
15.6 Public take-overs.....	423
15.7 Consents	423
15.8 Documents available for inspection	423
15.9 Responsibility statements	424

TABLE OF CONTENTS (cont'd)

	Page
APPENDIX I – BUSINESS LOCATION AND SUMMARY OF LANDED PROPERTIES	425
APPENDIX II – SUNCITY'S UNAUDITED QUARTERLY RESULTS FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2011	490
APPENDIX III – SUNH'S UNAUDITED QUARTERLY RESULTS FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2011	503
APPENDIX IV – LIST OF DIRECTORSHIPS AND OTHER CORPORATE REPRESENTATION OF LIM SWE GUAN IN BUSINESSES/CORPORATIONS OUTSIDE OUR GROUP	526

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY

DIRECTORS

Name	Address	Occupation	Nationality
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO <i>(Executive Chairman)</i>	36, Lorong Bukit Pantai Lapan Pantai Hill 59100 Kuala Lumpur	Company Director	Malaysian
Datuk Razman M Hashim <i>(Deputy Executive Chairman)</i>	No.18, Jalan Palong The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan	Company Director	Malaysian
Dato' Chew Chee Kin <i>(President)</i>	No.5, Pinggiran Golf Saujana Resort, Seksyen U2 40150 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Sarena Cheah Yean Tih <i>(Executive Director)</i>	36, Lorong Bukit Pantai Lapan Pantai Hill 59100 Kuala Lumpur	Company Director	Malaysian
Lim Swe Guan <i>(Independent Non- Executive Director)</i>	49, Woo Mon Chew Road Singapore 455126	Company Director	Singaporean
Datuk Low Seng Kuan <i>(Independent Non- Executive Director)</i>	Armanee Terrace Unit A5C 09, Jalan PJU 8/1 Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Wong Chin Mun <i>(Independent Non- Executive Director)</i>	Kiaramas Ayuria Condominium Unit No. A-32-01 No.9, Jalan Kiara 7 Off Jalan Bukit Kiara 50480 Kuala Lumpur	Company Director	Malaysian

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY (cont'd)

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Low Seng Kuan	Chairman	Independent Non-Executive Director
Wong Chin Mun	Member	Independent Non-Executive Director
Lim Swe Guan	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Lim Swe Guan	Chairman	Independent Non-Executive Director
Wong Chin Mun	Member	Independent Non-Executive Director
Datuk Low Seng Kuan	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Wong Chin Mun	Chairman	Independent Non-Executive Director
Tan Sri Jeffrey Cheah	Member	Executive Chairman
Datuk Low Seng Kuan	Member	Independent Non-Executive Director
Lim Swe Guan	Member	Independent Non-Executive Director

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY (cont'd)

COMPANY SECRETARIES	:	Tan Kim Aun (MAICSA 7002988) No. 3, Jalan Jaya Baru 3A Taman Jaya Off Jalan Cheras 56000 Kuala Lumpur
		Lee Suan Choo (MAICSA 7017562) 62, Lorong Jerangor Taman Chi Liung 41200 Klang Selangor Darul Ehsan
REGISTERED OFFICE	:	Level 16, Menara Sunway Jalan Lagoon Timur Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan
		Tel: 03-5639 8889 Website: www.sunway.com.my
HEAD OFFICE/ MANAGEMENT OFFICE	:	Level 16, Menara Sunway Jalan Lagoon Timur Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan
		Tel: 03-5639 8889 Email: irsunwayberhad@sunway.com.my Website: www.sunway.com.my
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young (AF:0039) Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur
		Tel: 03-7495 8000

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY (cont'd)

PRINCIPAL BANKERS	:	<p>HSBC Bank Malaysia Berhad Main Office No. 2 Leboh Ampang 50100 Kuala Lumpur</p> <p>Tel: 03-2050 7676</p> <p>Malayan Banking Berhad Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur</p> <p>Tel: 03-2070 8833</p> <p>Public Bank Berhad Head Office Menara Public Bank 146, Jalan Ampang 50450 Kuala Lumpur</p> <p>Tel: 03-2716 6000</p> <p>RHB Bank Berhad Level 7, Tower 3, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur</p> <p>Tel: 03-9287 8888</p> <p>Standard Chartered Bank Malaysia Berhad Level 13, Menara Standard Chartered 30 Jalan Sultan Ismail 50250 Kuala Lumpur</p> <p>Tel: 03-2117 7777</p>
SOLICITORS AND DUE DILIGENCE SOLICITORS FOR SUNWAY	:	<p>Kadir Andri & Partners 8th Floor, Menara Safuan 80 Jalan Ampang 50450 Kuala Lumpur</p> <p>Tel: 03-2078 2888</p>
SOLICITORS AND DUE DILIGENCE SOLICITORS FOR SUNCITY AND SUNH	:	<p>Mah-Kamariyah & Philip Koh No. 3, Persiaran Hampshire Off Jalan Ampang 50450 Kuala Lumpur</p> <p>Tel: 03-2163 0208</p>
INDEPENDENT MARKET RESEARCHER	:	<p>Infobusiness Research & Consulting Sdn Bhd C4-3A-2, Solaris Dutamas No.1, Jalan Dutamas 1 50480 Kuala Lumpur</p> <p>Tel: 03-6205 3930</p>

1. CORPORATE DIRECTORY (cont'd)

INDEPENDENT REGISTERED VALUERS	:	<p>Knight Frank (Proprietor: Ooi & Zaharin Sdn Bhd) Suite 9.01, 9th Floor Menara IGB Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur</p> <p>Tel: 03-2289 9688</p> <p>CH Williams Talhar & Wong Sdn Bhd 32nd Floor, Menara Tun Razak 50768 Kuala Lumpur</p> <p>Tel: 03-7955 1818</p> <p>City Valuers & Consultants Sdn Bhd 39 & 41, 2nd Floor Jalan Telawi 3 Bangsar Baru 59100 Kuala Lumpur</p> <p>Tel: 03-2282 9000</p>
JOINT PRINCIPAL ADVISERS	:	<p>CIMB Investment Bank Berhad (A Participating Organisation of Bursa Securities) 10th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur</p> <p>Tel: 03-2084 8888</p> <p>RHB Investment Bank Berhad (A Participating Organisation of Bursa Securities) Level 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur</p> <p>Tel: 03-9287 3888</p>
REGISTRAR	:	<p>Sunway Management Sdn Bhd Level 16, Menara Sunway Jalan Lagoon Timur Bandar Sunway 46150 Petaling Jaya Selangor Darul Ehsan</p> <p>Tel: 03-5639 8889</p>
LISTING SOUGHT	:	<p>Main Market of Bursa Securities</p>

2. INTRODUCTION

This Prospectus is dated 18 August 2011.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus with the CCM, who takes no responsibility for its contents.

As at the LPD, we, SunCity and SunH have obtained all the requisite approvals to effect the Acquisition, Capital Reduction and Repayment, Warrant Scheme and ESOS Termination. The Sale of Business Agreements have become unconditional on 24 June 2011 and as at the date of this Prospectus, the Acquisition is completed. The completion of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination take place on the same day as the Completion.

The approval of the SC shall not be taken to indicate that the SC recommends the Listing. You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of the Listing and an investment in our Company.

We have received Bursa Securities' approval on 9 August 2011 for the admission of our Company to the Official List and the Listing. Admission to the Official List of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares, our Warrants, the Acquisition, or the Listing.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares and Warrants as prescribed securities. Consequently, our Shares and Warrants issued pursuant to our Issuance will be deposited directly with Bursa Depository. Any dealings in our Shares and Warrants will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates and warrant certificates to the Entitled Holders.

In accordance with the Main Market LR, at least 25% of the total number of our Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 shares each at the point of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with the Listing. As at the LPD, both SunCity and SunH are in compliance with their public shareholding spread requirement prescribed under Main Market LR ("**Public Shareholding Spread Requirement**"). As a result, it is therefore envisaged that Sunway will upon its listing on Bursa Securities be in compliance with the Public Shareholding Spread Requirement.

You should rely only on the information contained in this Prospectus. We have not authorised any person to provide you with information that is different from those contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, represent or imply that there has been no material change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any material change or development affecting a matter disclosed in this Prospectus from the date of registration of this Prospectus with the SC up to the date of the Listing, we shall further issue a supplemental or replacement Prospectus, as the case may be, in accordance with the provision of Section 238 of the CMSA.

This Prospectus does not constitute and may not be used for the purpose of an offer for subscription or purchase of, or an invitation to subscribe for or purchase securities in any jurisdiction or circumstances in which such offer or invitation is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation.

THIS PROSPECTUS IS ISSUED FOR INFORMATION PURPOSE ONLY. NO OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF SECURITIES IS OR WILL BE MADE ON THE BASIS OF THIS PROSPECTUS.

3. INFORMATION SUMMARY

This section is only a summary of the salient information about us and the Issuance, which is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus.

3.1 Overview of our Group

We were set up as a special purpose company to facilitate the acquisition of SunCity Business and SunH Business. Upon the Completion, the businesses of SunCity Business and SunH Business will be merged under the enlarged Sunway Group.

We were incorporated in Malaysia under the Act on 10 November 2010 as a private limited company under the name of Alpha Sunrise Sdn Bhd. On 23 November 2010, we changed our name to Sunway Sdn Bhd. On 30 November 2010, we were converted into a public limited company and assumed our present name. The enlarged Sunway Group will consist of 2 main businesses, namely, property and construction. Other business divisions include quarry and building materials, trading and manufacturing, and hospitality, leisure and healthcare.

Our business and operations are further disclosed in Sections 6 and 10 of this Prospectus.

3.2 Our competitive strengths

We believe our competitive strengths include the following:

- 3.2.1 Strong track record with long-term strategic partners;
- 3.2.2 A recognised and well-known brand;
- 3.2.3 A strong human capital base;
- 3.2.4 Established reputation; and
- 3.2.5 Healthy construction order book and proven ability to replenish construction contracts.

Our competitive strengths are further discussed in Section 6.2 of this Prospectus.

3.3 Business strategies, future plans and prospects

Upon Completion, we plan to implement the following business strategies in order to realise our future plans and prospects:

- 3.3.1 Value of the merger
 - (i) Optimise access to capital markets;
 - (ii) Realise synergies between property and construction businesses;
 - (iii) Realise basic cost synergies; and
 - (iv) Brand clarity.

3. INFORMATION SUMMARY (cont'd)

3.3.2 Overall shape of business portfolio

Going forward, we believe our combined businesses fall into 3 broad categories, i.e. property, construction and others.

3.3.3 Vision for our businesses

We aim to become a leading regional property and construction group.

Our business strategies, future plans and prospects are further discussed in Section 6.3 of this Prospectus.

3.4 Financial information

The following proforma consolidated balance sheets as at 31 December 2010 and proforma consolidated income statements are provided for illustrative purposes only, after incorporating appropriate adjustments and assuming that our Group has been in existence throughout the year/periods under review.

You should read the proforma consolidated balance sheets as at 31 December 2010 and proforma consolidated income statements in conjunction with the management's discussion and analysis of financial condition and results of operations in Section 9.2 of this Prospectus and the Reporting Accountants' Letter on the proforma consolidated financial information as set out in Section 9.5 of this Prospectus.

Proforma consolidated balance sheets as at 31 December 2010

	Audited as at 31 December 2010	Proforma adjustment 1	Proforma 1 Drawdown of borrowings	Proforma adjustment 2	Proforma 2 Acquisitions of SunCity and SunH	Proforma adjustment 3	Proforma 3 Listing expenses
	RM'000						
Assets							
Non-current assets							
Property, plant and equipment	-	-	-	968,702	968,702	-	968,702
Biological assets	-	-	-	461	461	-	461
Investment properties	-	-	-	716,669	716,669	-	716,669
Rock reserves	-	-	-	9,314	9,314	-	9,314
Interest in associates	-	-	-	987,896	987,896	-	987,896
Other investments	-	-	-	12,647	12,647	-	12,647
Interest in jointly controlled entities	-	-	-	395,319	395,319	-	395,319
Loan to jointly controlled entities	-	-	-	-	-	-	-
Receivables	-	-	-	19,669	19,669	-	19,669
Land held for property development	-	-	-	533,187	533,187	-	533,187
Goodwill	-	-	-	330,095	330,095	-	330,095
Deferred tax assets	-	-	-	40,194	40,194	-	40,194
Derivative assets	-	-	-	-	-	-	-
Total non-current assets	-	-	-	-	4,014,153	-	4,014,153
Current assets							
Property development costs	-	-	-	630,778	630,778	-	630,778
Inventories and completed development properties	-	-	-	301,545	301,545	-	301,545
Tax recoverable	-	-	-	54,566	54,566	-	54,566
Receivables	-	-	-	1,142,911	1,142,911	-	1,142,911
Deposits, cash and bank balances	6	912,254	912,260	(36,221)	876,039	(7,500)	868,539
Derivative assets	-	-	-	12,484	12,484	-	12,484
Total current assets	6	-	912,260	-	3,018,323	-	3,010,823
Total assets	6	-	912,260	-	7,032,476	-	7,024,976

3. INFORMATION SUMMARY (cont'd)

	Audited as at 31 December 2010	Proforma adjustment 1	Proforma 1 Drawdown of borrowings	Proforma adjustment 2	Proforma 2 Acquisitions of SunCity and SunH	Proforma adjustment 3	Proforma 3 Listing expenses
	RM'000						
Equity and liabilities							
Equity attributable to equity holders of the Company							
Share capital	*	-	*	1,292,505	1,292,505	-	1,292,505
Share premium	-	-	-	2,326,509	2,326,509	-	2,326,509
Capital reserve	-	-	-	109,312	109,312	-	109,312
Capital redemption reserve	-	-	-	203	203	-	203
Negative merger reserve	-	-	-	(1,190,200)	(1,190,200)	-	(1,190,200)
Foreign currency reserve	-	-	-	(8,002)	(8,002)	-	(8,002)
Fair value reserve	-	-	-	49,967	49,967	-	49,967
Statutory reserve	-	-	-	618	618	-	618
Revaluation reserve	-	-	-	22,501	22,501	-	22,501
Accumulated losses	(79)	-	(79)	-	(79)	(7,500)	(7,579)
Shareholders' equity	(79)		(79)		2,603,334		2,595,834
Minority interest	-		-	385,837	385,837	-	385,837
Total equity	(79)		(79)		2,989,171		2,981,671
Current liabilities							
Payables	85	-	85	1,379,773	1,379,858	-	1,379,858
Borrowings	-	-	-	505,454	505,454	-	505,454
Current tax liabilities	-	-	-	67,605	67,605	-	67,605
Derivative liabilities	-	-	-	279	279	-	279
	85		85		1,953,196		1,953,196
Non-current liabilities							
Borrowings	-	912,254	912,254	914,081	1,826,335	-	1,826,335
Long term liabilities	-	-	-	180,895	180,895	-	180,895
Derivative liabilities	-	-	-	1,754	1,754	-	1,754
Deferred tax liabilities	-	-	-	81,125	81,125	-	81,125
	-		912,254		2,090,109		2,090,109
Total liabilities	85		912,339		4,043,305		4,043,305
Total equity and liabilities	6		912,260		7,032,476		7,024,976
NA attributable to equity holders of the Company (RM'000)	*		*		2,603,334		2,595,834
Number of Shares ('000)	#		#		1,292,505		1,292,505
NA per Share (RM)	#		#		2.01		2.01

Notes:

* RM2.

Negligible.

(The rest of this page has been intentionally left blank)

3. INFORMATION SUMMARY (cont'd)

Proforma consolidated income statements

	Year ended 30 June 2008	18-month period ended 31 December 2009 *	Year ended 31 December 2010
	RM'000		
Income statement data:			
Revenue	2,939,828	4,150,355	3,134,474
Cost of sales	(1,897,835)	(2,659,045)	(2,076,424)
Gross profit	1,041,993	1,491,310	1,058,050
Other operating income	405,318	838,456	300,390
Administrative expenses	(330,428)	(545,666)	(407,411)
Selling, distribution and marketing expenses	(84,200)	(157,888)	(112,494)
Other operating expenses	(190,112)	(321,762)	(246,393)
Operating profit	842,571	1,304,450	592,142
Finance income	16,928	18,846	26,963
Finance costs	(123,290)	(164,308)	(101,170)
Share of results of associates	13,848	28,860	73,152
Share of results of jointly controlled entities	9,132	101,577	126,180
PBT	759,189	1,289,425	717,267
Taxation	(201,990)	(308,478)	280,216
PAT	557,199	980,947	997,483
PAT attributable to:			
Equity holders	358,723	643,494	688,248
Minority interest	198,476	337,453	309,235
	557,199	980,947	997,483
Other selected financial data:			
Depreciation	76,274	146,481	78,178
Amortisation	1,207	2,473	1,813
EBITDA ⁽¹⁾	943,032	1,583,841	871,465
Gross profit margin (%) ⁽²⁾	35.4	35.9	33.8
PBT margin (%) ⁽³⁾	25.8	31.1	22.9
PAT margin (%) ⁽⁴⁾	19.0	23.6	31.8
Gross EPS (sen)⁽⁵⁾			
-Basic	58.7	99.8	55.5
-Fully diluted	49.0	83.1	46.3
Net EPS (sen)⁽⁶⁾			
-Basic	27.8	49.7	53.3
-Fully diluted	23.1	41.4	44.4

Notes:

- (1) EBITDA represents earnings before finance cost, taxation, depreciation and amortisation. The table below sets forth a reconciliation of our PAT to EBITDA:

	Year ended 30 June 2008	18-month period ended 31 December * 2009	Year ended 31 December 2010
	RM'000		
EBITDA:			
PAT	557,199	980,947	997,483
Taxation	201,990	308,478	(280,216)
PBT	759,189	1,289,425	717,267
Finance costs	123,290	164,308	101,170
Finance income	(16,928)	(18,846)	(26,963)
Depreciation	76,274	146,481	78,178
Amortisation	1,207	2,473	1,813
	943,032	1,583,841	871,465

3. INFORMATION SUMMARY (cont'd)

EBITDA, as well as the related ratios presented in this Prospectus are supplemental measures of our performance and liquidity and are not required by, or represented in accordance with, Financial Reporting Standards in Malaysia. Furthermore, EBITDA is not a measure of our financial performance or liquidity under Financial Reporting Standards in Malaysia and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with Financial Reporting Standards in Malaysia or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardised term, hence a direct comparison between companies using such a term may not be possible.

- (2) *Computed based on the gross profit over total revenue of our Group.*
- (3) *Computed based on the PBT over total revenue of our Group.*
- (4) *Computed based on the PAT over total revenue of our Group.*
- (5) *Basic gross EPS is computed based on the PBT over 1,292,505,004 Shares, which is our enlarged number of shares issued after Completion. Fully diluted gross EPS is computed based on the PBT over 1,551,006,004 Shares, which is our enlarged number of shares issued as at the date of this Prospectus after Completion and assuming full exercise of our Warrants.*
- (6) *Basic net EPS is computed based on the PAT attributable to equity holders over 1,292,505,004 Shares, which is our enlarged number of shares issued after Completion. Fully diluted net EPS is computed based on the PAT attributable to equity holders over 1,551,006,004 Shares, which is our enlarged number of shares issued as at the date of this Prospectus after Completion and assuming full exercise of our Warrants.*

* *The financial year end was changed from 30 June to 31 December.*

3.5 Dividend policy

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. We intend to pay dividends to our shareholders in the future. However, such payments will depend upon a number of factors, including our earnings, capital requirements, general financial condition, our distributable reserves and other factors considered relevant by our Board. As we are a holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon their operating results, financial conditions, capital expenditure plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for our subsidiaries may limit their ability to declare or pay cash dividends.

We currently do not have a formal dividend policy as we intend to adopt a policy of active capital management. The form, frequency and amount of future dividends on our Shares will depend on our earnings and financial position, our results of operations, our capital needs, our plans for expansion and other factors as our Directors may deem appropriate.

Our dividend policy is also discussed in Section 9.4 of this Prospectus.

(The rest of this page has been intentionally left blank)

3. INFORMATION SUMMARY (cont'd)

3.6 Details of our Issuance and Listing

The objectives of our Listing are to enhance our profile and recognition within the global investing community and provide us easier access to the capital market in the future to give us the financial flexibility to pursue future expansion and growth opportunities.

Pursuant to the Acquisition, a total of 1,292,505,002 Shares are issued as part of the Consideration with the remainder of the Consideration being satisfied in cash. A total of 258,501,000 Warrants are issued for free on the basis of 1 Warrant for every 5 Shares issued as part of the Consideration. The Issuance is made directly to the Entitled Holders as nominated by SunCity and SunH respectively to be the recipients of the Consideration as part of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination.

Section 4 of this Prospectus sets out further information in relation to the Issuance.

3.7 Proceeds

We are not receiving any proceeds as there is no offer for subscription or purchase of our Shares and Warrants.

3.8 Risk factors

You should be aware of the risks relating to our Shares, Warrants and businesses, along with other matters in this Prospectus. The following is not an exhaustive list of challenges that we currently face or that may develop in the future.

3.8.1 Risk factors relating to our securities

- (i) Upon the issuance of our Shares and Warrants to you, you are exposed to the performance of our main businesses;
- (ii) There has been no prior trading market for our securities and this Listing may not result in an active or liquid market for our securities;
- (iii) Like all other companies listed on Bursa Securities, the price of our securities may be volatile and this may affect your investment in our securities;
- (iv) Difference between the Exercise Price and the market price of our Warrants;
- (v) Delay or failure in our Listing;
- (vi) We may face integration risks when integrating our businesses upon Completion;
- (vii) Our ability to pay dividends and our general financial condition are affected by various factors; and
- (viii) We require borrowings to fund the cash portion of the Consideration.

3.8.2 Risk factors relating to our businesses

- (i) Deterioration in our reputation will adversely affect our businesses;
- (ii) We are exposed to competition risk;

3. INFORMATION SUMMARY (cont'd)

- (iii) Increase in the cost of operations of our businesses;
- (iv) We are exposed to retention and succession risk of key management and Directors;
- (v) We are exposed to risks arising from our overseas business ventures;
- (vi) We are dependent on our operating licences;
- (vii) We are exposed to foreign exchange fluctuations;
- (viii) Increase in interest rates may lead to higher borrowing costs and affect our profitability;
- (ix) We may be affected by bad debts;
- (x) We may face malpractice or negligence suits;
- (xi) Our current insurance coverage may not be sufficient to cover the risks related to our operations;
- (xii) We are subject to political, economic, market and regulatory considerations;
- (xiii) Our growth is dependent on our ability to secure suitable landbank;
- (xiv) We may not be able to sustain our current order book
- (xv) Our property business is exposed to inventory build-up;
- (xvi) Our income is dependent on our ability to secure tenants/lessees;
- (xvii) Deterioration in the value of our properties;
- (xviii) Illiquidity of property investment;
- (xix) We are dependent on third party contractors;
- (xx) We are exposed to unforeseen delays in the completion of our projects;
- (xxi) We are exposed to inherent risks in the construction industry;
- (xxii) Our failure to comply with laws and regulations relating to environment and health and safety may result in penalties;
- (xxiii) We are exposed to inherent risks in our quarry and building materials businesses;
- (xxiv) We may not be able to renew the lease of certain quarries;
- (xxv) Our leisure and hospitality businesses may be affected by the outbreak of infectious diseases; and
- (xxvi) Our trading and manufacturing business relies on agency lines.

Section 5 of this Prospectus sets out a detailed discussion on the risks associated with investing in our Company.

4. DETAILS OF OUR LISTING

4.1 Timetable

The timing of events leading up to our Listing is as follows:

<u>Events</u>	<u>Date</u>
Announcement of the Entitlement Date	11 July 2011
Entitlement Date	8 August 2011
	<u>Tentative Date</u>
Listing of our Shares and Warrants	23 August 2011

4.2 Rationale for the Acquisition

The rationale for the Acquisition is as follows:

- (i) The combined SunCity Business and SunH Business pursuant to the Acquisition will create scale and synergies. It is expected that we will realise operational, procurement and administrative efficiencies, resulting from economies of scale and integration.
- (ii) Our enlarged Group will have better access to larger scale business opportunities as well as to tap the global equity and debt capital market. Being a larger combined entity provide us with an opportunity to re-articulate our "Sunway" brand and renew foreign investors' interest in our Shares.
- (iii) We will further expand our property business to multiple markets, which will serve as a platform for our continuous growth. We will have a combined landbank of approximately 2,200 acres with a total estimated GDV of approximately RM23 billion, further enhancing our position as one of the leading listed property developer in Malaysia with a larger landbank and increased regional presence.

Besides providing clear visibility on our earnings potential over the coming decade, our sizeable landbank will provide us with the opportunities to develop a variety of products catering to all segments, from the mass market to the very niche, luxury accommodation.
- (iv) Following the Acquisition, we will have the financial strength and resources to fulfil the potentials and possibilities above.

On 18 January 2011, we have entered into the Sale of Business Agreements with SunCity and SunH.

As at the LPD, we, SunCity and SunH have received all requisite approvals for the Acquisition, Capital Reduction and Repayment, Warrant Scheme and ESOS Termination. The Sale of Business Agreement became unconditional on 24 June 2011 and as at the date of this Prospectus, the Acquisition is completed. The completion of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination takes place on the same day as the Completion.

4. DETAILS OF OUR LISTING *(cont'd)*

4.3 Details of our Issuance

Pursuant to the Acquisition, a total of 1,292,505,002 Shares are issued as part of the Consideration with the remainder of the Consideration being satisfied in cash. A total of 258,501,000 Warrants are issued for free on the basis of 1 Warrant for every 5 Shares issued as part of the Consideration. The Issuance is made directly to the Entitled Holders as nominated by SunCity and SunH respectively to be the recipients of the Consideration as part of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination. These Shares and Warrants will be credited into the CDS accounts of the Entitled Holders and the cash shall be paid to the Entitled Holders, the entitlements of which are derived as follows:

- (i) in the case of Entitled Shareholders, a Capital Reduction and Repayment, whereby all the SunCity Shares and the SunH Shares are cancelled with the object of distributing to the Entitled Shareholders, their entitlement to the Consideration of RM5.10 per SunCity Share and RM2.60 per SunH Share respectively. Simultaneous with the Capital Reduction and Repayment, SunCity and SunH, each issues 2 new SunCity Shares and 2 new SunH Shares at an issue price of RM1.00 each to Sunway. Upon completion of the Capital Reduction and Repayment, the share capital of SunCity and SunH stands at RM2.00 comprising 2 ordinary shares respectively;
- (ii) in the case of Entitled Warrant Holders, the Warrant Scheme whereby the SunCity warrant holders are paid RM1.29 and the SunH warrant holders are paid RM1.50 for each outstanding warrant in consideration of the termination of the exercise rights and cancellation of the SunCity warrants and the SunH warrants. The Entitled Warrant Holders are receiving a combination of our Shares, cash and our Warrants; and
- (iii) in the case of ESOS Options Holders, an ESOS Termination, with the object of paying a fair value to the SunCity and SunH ESOS Options Holders based on the Black-Scholes valuation method in consideration for the cancellation of the ESOS Options and the termination of the ESOS. The ESOS Options Holders are receiving a combination of our Shares, cash and our Warrants.

Further details of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination are set out in Section 4.4 of this Prospectus.

4.4 Distribution of the Consideration to the Entitled Holders

Pursuant to the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination, SunCity and SunH are distributing the Consideration to their respective Entitled Holders. Further details of the Capital Repayment, Warrant Scheme and ESOS Termination are set out in Sections 4.4.1, 4.4.2 and 4.4.3 of this Prospectus. After the completion of the Capital Reduction and Repayment, Warrant Scheme and ESOS Termination, SunCity and SunH will be delisted from the Main Market of Bursa Securities.

4.4.1 Capital Reduction and Repayment

Pursuant to the Capital Reduction and Repayment, both SunCity and SunH are implementing a capital repayment exercise by way of a capital reduction exercise in accordance with Section 64 of the Act, under which all SunCity Shares and SunH Shares are cancelled with the object of distributing to their respective shareholders, their entitlement to the SunCity Consideration and SunH Consideration respectively. Our Shares will form 80% of the Consideration with the remaining 20% of the Consideration paid in cash. The SunCity and SunH shareholders are receiving our Warrants, on the basis of 1 Warrant for every 5 Shares received. In order to facilitate the Capital Reduction and Repayment, SunCity and SunH had immediately prior to the implementation of the Capital Reduction and Repayment undertaken a bonus

4. DETAILS OF OUR LISTING (cont'd)

issue, effected by way of capitalising the gain arising from the disposal of SunCity Business and SunH Business respectively, all sums standing to the credit of the share premium account and retained profits account, and in the case of SunH, including the reserves arising from the cancellation of all its treasury shares. Upon completion of the Capital Reduction and Repayment, SunCity and SunH are issuing 2 SunCity Shares and 2 SunH Shares to Sunway, resulting in SunCity and SunH becoming our subsidiaries and each having a share capital of RM2 comprising 2 ordinary shares of RM1.00 each.

4.4.2 Warrant Scheme

SunCity and SunH are carrying out a Warrant Scheme to pay the SunCity warrant holders and SunH warrant holders part of the Consideration for the termination of the exercise rights of the SunCity warrants and SunH warrants. The SunCity warrant holders are paid RM1.29 whereas the SunH warrant holders are paid RM1.50 for each outstanding warrant in the form of a combination of Shares and cash. Our Shares form 80% of the Consideration with the remaining 20% of the Consideration paid in cash. The SunCity warrant holders and SunH warrant holders are issued with our Warrants, on the basis of 1 Warrant for every 5 Shares which they are issued.

4.4.3 ESOS Termination

SunCity and SunH are paying their respective ESOS Options Holders part of the Consideration in the form of Shares and cash for the cancellation of their ESOS Options and the termination of the ESOS. Our Shares form 80% of the consideration with the remaining 20% of the consideration paid in cash. The ESOS Options Holders are also issued our Warrants, on the basis of 1 Warrant for every 5 Shares which they are issued.

4.5 Share capital

	No. of Shares / Warrants	RM
Authorised share capital	10,000,000,000	10,000,000,000
Issued and fully paid-up as at the date of this Prospectus before Completion	2	2
Shares issued pursuant to the Acquisition	1,292,505,002	1,292,505,002
Enlarged Issued and fully paid-up as at the date of this Prospectus after Completion	1,292,505,004	1,292,505,004
Warrants issued pursuant to our Acquisition	258,501,000	N/A

Based on the issue price of RM2.80 per Share and our enlarged issued and paid-up share capital of 1,292,505,004 Shares, our market capitalisation upon listing on the Main Market of Bursa Securities will be RM3,619,014,011.

4. DETAILS OF OUR LISTING *(cont'd)*

4.6 Classes of shares, ranking and information on Warrants

4.6.1 Our Shares

As at the date of this Prospectus, we only have 1 class of shares, being ordinary shares of RM1.00 each.

Our Shares will rank equally in all respects with our other existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of our Shares.

At any of our Company's general meeting, each of our shareholders shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative and, on a resolution to be decided by show of hands, every person who is a shareholder or proxy or attorney or representative of a shareholder shall have 1 vote and on a poll, every shareholder present in person or by proxy or by attorney or by a duly authorised representative shall have 1 vote for each Share he holds. A proxy may but need not be a member and the provisions of Section 149(1)(b) of the Act shall not apply to our Company.

Subject to any special rights attaching to any shares that we may issue in the future, our shareholders shall in proportion to the amount paid-up on our Shares held by them, be entitled to share in the profits paid out by us in the form of dividends and other distributions and any surplus in the event of our liquidation, in accordance with our Articles and provisions of the Act.

4.6.2 Our Warrants

A total of 258,501,000 Warrants are issued to the Entitled Holders on the basis of one free Warrant for every 5 Shares which they are issued. The salient terms of our Warrants are set out below:

Form	:	Our Warrants are issued in registered form. For the purpose of trading on Bursa Securities, a board lot of our Warrants shall be 100 Warrants carrying the right to subscribe for 100 Shares, or such denomination as may be determined by Bursa Securities.
Tenure	:	5 years from and inclusive of the date of issue of our Warrants.
Exercise rights	:	Each of our Warrant entitles the holder to subscribe for 1 new Share at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Price	:	RM2.80 per Share.
Mode of exercise	:	Each Warrant is exercisable into 1 new Share upon payment of the Exercise Price in cash.
Exercise period	:	Our Warrants shall be exercisable into our Shares on any market day within a period from the date of issue of our Warrants up to and including the close of business day on the date preceding the 5th anniversary of the date of issue of our Warrants. The Warrants that are not exercised during the exercise period shall thereafter lapse and cease to be valid.

4. DETAILS OF OUR LISTING *(cont'd)*

Rights of our Warrants	:	Our Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company.
Status of our Shares arising from the exercise of our Warrants	:	Our new Shares to be issued arising from the exercise of our Warrants shall, upon issue and allotment, rank <i>pari passu</i> in all respects with our then existing Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of our new Shares.
Adjustment in the Exercise Price and/or number of our Warrants held	:	Subject to the provisions of the Deed Poll, the Exercise Price and/or number of our Warrants held by each of our Warrant holder may from time to time be adjusted, calculated or determined by the Board in consultation with an approved investment bank or the auditors appointed by us, in the event of an alteration to our share capital in accordance with the provisions as set out in the Deed Poll.
Listing	:	Bursa Securities has approved the listing of and quotation for our Warrants and our new Shares to be issued upon exercise of our Warrants.
Constitution	:	Our Warrants are constituted by the Deed Poll.
Rights of our Warrant holders in the event of winding-up, liquidation, compromise and or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company, or the amalgamation of our Company with one or more companies, then every holder of our Warrant shall be entitled to, subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or 6 weeks after the granting of the court order approving the compromise or arrangement, as the case may be, by the irrevocable surrender of the free Warrants to our Company, elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement, exercise the subscription rights attached to the Warrants, to the extent specified in the subscription forms and be entitled to receive, out of the assets of our Company which would be in liquidation if he had on such date been the holder of our Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company will give effect to such election accordingly.
Governing Law	:	Laws and regulations of Malaysia.

4. DETAILS OF OUR LISTING (cont'd)

4.7 Basis of arriving at the issue price of our Share and Exercise Price of our Warrants

The issue price of our Shares of RM2.80 each was arrived at after taking into account the total number of securities to be issued resulting from the Consideration, as well as the potential trading liquidity and the subsequent PER of the Sunway Shares. For illustration purposes, the satisfaction of the total Consideration of RM4,523,767,508 involves the issuance of 1,292,505,002 Sunway Shares at an issue price of RM2.80 with the remainder of the Consideration of RM904,753,502 being satisfied in cash. As our Warrants are issued concurrent with our Shares, we have determined the exercise price of our Warrants at RM2.80 each per Share, being the issue price of our Shares. At an issue price of RM2.80 and EPS (based on the proforma consolidated income statement for the year ended 31 December 2010 and excluding one off and/or non operational items that include fair value gains on properties, net gain on disposals to the Sunway REIT, expenses in relation to the Sunway REIT exercise, gain from the adoption of Financial Reporting Standard 139 on Financial Instruments: Recognition and Measurement and reversal of deferred taxation) of RM0.24, the PER is approximately 11.76 times. Based on the business strategies, future plans and prospects of our Group, there may be potential upside to the PER of the Sunway Shares.

Please refer to Section 6.3 of this Prospectus for the business strategies, future plans and prospects of our Group.

4.8 General mandate pursuant to Section 132D of the Act

You should take note that prior to the Completion, our Directors have obtained a general mandate pursuant to Section 132D of the Act from our then existing shareholders to issue and allot new Shares, at any time until the conclusion of the next annual general meeting upon such terms and conditions and for such purposes and to such person or persons as our Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued does not exceed 10% of our total enlarged issued share capital (excluding treasury shares) at any time ("Mandate"). The issuance, if any, will also be subject to the approvals of the relevant regulatory authorities. The Mandate shall be in addition to the specific approval obtained from our shareholders of Sunway at an EGM held on 30 June 2011 for the issuance of our Shares forming part of the Consideration and our Shares to be issued pursuant to the exercise of our Warrants.

For illustration purposes, based on our enlarged issued and paid-up share capital upon Completion, the Mandate would enable our Directors to issue up to 155,100,600 Shares, derived from the enlarged issued and paid-up share capital of 1,551,006,004 Shares, on the assumption that all our Warrants issued are fully exercised on the date of Listing.

The Mandate will provide us with the flexibility to issue new Shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time and to cater for possible fund raising exercises including but not limited to private placement of our Shares for the purpose of, amongst others, funding current and/or future investment projects, repayment of borrowings, working capital requirements and/or mergers and acquisitions.

4.9 Underwriting arrangement

We are not required to underwrite our Issuance because no subscription monies are receivable by us. Our Shares are issued as part of the Consideration and our Warrants are issued for free.

4. DETAILS OF OUR LISTING *(cont'd)*

4.10 Objectives of our Listing

The objectives of our Listing are to enhance our profile and recognition within the global investing community and provide us easier access the capital market in the future to give us the financial flexibility to pursue future expansion and growth opportunities.

4.11 Proceeds

We are not receiving any proceeds as there is no offer for subscription or purchase of our Shares and Warrants.

4.12 Estimated expenses pursuant to the Listing

The estimated expenses of RM7.5 million pursuant to the Listing to be borne by us, and will be funded through borrowings, comprises the following:

	<u>RM 000</u>
Professional fees ⁽¹⁾	5,000
Fees to authorities pursuant to the Listing	1,000
Other fees and expenses ⁽²⁾	800
Miscellaneous expenses and contingencies	700
Total estimated listing expenses	<u>7,500</u>

Notes:

(1) Include fees for, amongst others, the Joint Principal Advisers, Solicitors and the Reporting Accountants.

(2) Include finance costs, printing, advertisement and public relations related expenses.

4.13 Trading and settlement in the secondary market

Upon the Listing, our Shares and Warrants will be traded through Bursa Securities and settled by book-entry settlement through CDS (which is operated by Bursa Depository), which will be effected in accordance with the Rules of Bursa Depository for the operation of CDS accounts and the provisions of the SICDA. Accordingly, we will not deliver certificates to the Entitled Holders.

Beneficial owners of our Shares and Warrants are required under the Rules of Bursa Depository to maintain CDS accounts, either directly in their name or through authorised nominees. Persons whose names appear in the ROD will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts. Persons whose names appear in the ROD will be treated as our Warrant holders in respect of the number of Warrants credited to their respective CDS accounts.

4. DETAILS OF OUR LISTING (cont'd)

Transactions in our Shares and Warrants under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares and Warrants sold and the buyer's CDS account being credited with the number of Shares and Warrants acquired. No transfer stamp duty is currently payable for our Shares and Warrants that are settled on a book-entry basis, although there is a nominal transfer fee of RM10 payable for each transfer not transacted on the market. All Shares and Warrants held in CDS accounts may not be withdrawn from CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances as determined by Bursa Depository from time to time, after consultation with the SC.

Trading of securities of companies listed on Bursa Securities is normally done in "board lots" of 100 units. Investors who desire to trade less than 100 units shall trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

Prior to the Listing, there has been no trading market for our Shares and Warrants within or outside Malaysia. You should take note that the market prices of our Shares and Warrants upon Listing are subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares and Warrants. You are reminded to read the risk factors as set out in Section 5 of this Prospectus.

(The rest of this page has been intentionally left blank)

5. RISK FACTORS

Please take note that our operations are subject to the legal, regulatory and business environment in Malaysia and other countries in which we have businesses in. Our businesses are subject to a number of factors, many of which are outside our control. The risks and investment considerations set out below are not an exhaustive list of the challenges that we currently face or may develop in the future that may have a significant impact on our current and future performance. These and other risks, whether known or unknown, may have a material adverse effect on us or our Shares or Warrants.

5.1 Risk factors relating to our securities

5.1.1 Upon the issuance of our Shares and Warrants to you, you are exposed to the performance of our main businesses

Upon Completion, we have 2 main businesses, namely, property and construction. Other businesses include quarry and building materials, trading and manufacturing and hospitality, leisure and healthcare. Upon the issuance of our Shares and Warrants to you, you are exposed to the inherent risks of those businesses. These inherent risks are set out in Section 5.2 of this Prospectus.

You should note that, depending on whether you were a shareholder of SunCity or SunH, the income profile of your investment will change upon the issuance of our Shares and Warrants to you pursuant to the Capital Reduction and Repayment.

Shareholders of SunCity (which are in the property, hospitality, leisure and healthcare businesses) who received our Shares and Warrants are exposed to new businesses, namely, the construction, trading and manufacturing of construction and industrial products, quarry and building materials businesses.

Shareholders of SunH (which are in the construction, trading and manufacturing of construction and industrial products, quarry and building materials businesses) who received our Shares and Warrants are exposed to new businesses, namely, the property, hospitality, leisure and healthcare businesses.

In line with our intention to expand our main businesses, opportunities may arise that may require substantial capital outlay and are subject to risks which will be assessed in totality before we undertake any plans. Our business strategies, future plans and prospects are set out in Section 6.3 of this Prospectus.

Nonetheless, you should note that whilst you will be subject to the risks inherent in the businesses that you previously had no or less exposure to, the varied and market lifecycles of our different businesses provide an opportunity for risk diversification. Further, you would also be able to have exposure to the collective performance of each business, as well as the potential opportunities and benefits arising from the Acquisition.

5.1.2 There has been no prior trading market for our securities and this Listing may not result in an active or liquid market for our securities

Whilst a trading market had existed for the securities of SunCity and SunH prior to the suspension of their respective trading in conjunction with the Capital Reduction and Repayment and the Warrant Scheme, there has been no prior trading market for our securities.

There can be no assurance as to the liquidity of any market that may develop for our securities; nor can we assure that the trading price of our securities may reflect our financial and operating conditions, our prospects and the prospects of the industries in which we operate in. We have no obligation to make a market in our securities nor is there any assurance that we will be able to maintain our Listing.

5. RISK FACTORS *(cont'd)*

5.1.3 Like all other companies listed on Bursa Securities, the price of our securities may be volatile and this may affect your investment in our securities

The market price of our securities could be affected by numerous factors, including:

- (i) general market, political and economic conditions;
- (ii) trading and liquidity of our securities;
- (iii) changes in earnings estimates and recommendations by financial analysts;
- (iv) changes in market valuations of listed shares in general and other securities exchanges' shares in particular;
- (v) changes in governmental policy, legislation or regulation; and
- (vi) general operational and business risks.

In addition, many of the risks described elsewhere in this Prospectus could materially and adversely affect the market price of our securities.

The Malaysian, regional and global equity markets have experienced price and volume volatility that have affected the prices of securities of many companies. Prices of securities of many companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies. Such fluctuations in price may adversely affect the market price of our securities.

5.1.4 Difference between the Exercise Price and the market price of our Warrants

Although our Warrants are issued for free to the Entitled Warrant Holders as part of the Consideration for the Acquisition, our Warrants carry an exercise price of RM2.80 per Share. If the price of our Shares falls below the Exercise Price of our Warrants, then the Warrants are deemed "out-of-money". Further, our Warrants have a tenure of 5 years and will be valueless and cease to be valid upon the expiry of its tenure. As such, our Warrant holders bear the risk that the Warrants may never be exercised at all in the event the price of our Shares continue to fall below the Exercise Price for the entire tenure of our Warrants.

5.1.5 Delay or failure in our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

- (i) the approval for the Listing is revoked by the authorities for whatever reason;
or
- (ii) the occurrence of certain events or circumstance beyond our control (including any legal suit filed by any party).

Based on the existing market conditions and shareholding spread of SunCity and SunH, our public spread requirements as set out in the Main Market LR, i.e. having at least 25% of our issued and paid-up Shares in the hands of at least 1,000 public shareholders holding at least 100 Shares each at the point of Listing, are met upon Issuance of our Shares and Warrants to the Entitled Holders.

5. RISK FACTORS (cont'd)

After our securities have been credited to your CDS account, which would occur prior to the anticipated date of our Listing, you will be our shareholder and Warrant holder even if the admission into and the commencement of trading of our securities on the Main Market of Bursa Securities does not occur. Delays in admission and the commencement of trading in securities on Bursa Securities have also previously occurred.

5.1.6 We may face integration risks when integrating our businesses upon Completion

Integration risks can arise when distinct companies are integrated under a single entity due to, amongst others, differences in culture, business processes, practices and policies. In addition, there is no assurance that the anticipated benefits of the Acquisition, such as creating a platform for sustainable continuous growth or the strengthening of the balance sheet, will be realised, or if realised, will be realised within the expected timeframe. The anticipated benefits do not represent a forecast of our future performance and is subject to the assumptions set out under "Business strategies, future plans and prospects in Section 6.3 of this Prospectus.

Nonetheless, we have taken steps to address this integration risk by forming a merger integration committee and have appointed a team of consultants: (i) to study the potential synergies that can be extracted from the integration; (ii) to identify key strategy areas, design broad integration strategies and develop plans to capture the synergies; and (iii) to assimilate the differences in culture, business processes, practices and policies of businesses, if any.

5.1.7 Our ability to pay dividends and our general financial condition are affected by various factors

Our ability to pay dividends or make any distributions to our shareholders is subject to the confirmation from our Board, to any applicable law, licence and contractual obligations, including restrictions in our financial contracts. Our ability to pay dividend is also dependent on the financial performance and cash flow position of our operating subsidiaries.

Dividend payments are not guaranteed and may be less than the dividends previously paid by SunCity and SunH respectively, prior to the Acquisition.

There is no assurance that we will be able to record profits and have sufficient funds above our funding requirements, to pay dividends to our shareholders. In addition, changes in the applicable accounting standards may affect our ability to declare and pay dividends.

(The rest of this page has been intentionally left blank)

5. RISK FACTORS (cont'd)

5.1.8 We require borrowings to fund the cash portion of the Consideration

We have incurred bank borrowings of approximately RM912.3 million to pay the cash portion of the Consideration to the Entitled Holders and the expenses related to the Acquisition and the Listing. The additional borrowings together with the existing borrowings of SunH and SunCity have resulted in a proforma gross gearing ratio of 0.9 times and net gearing ratio of 0.6 times upon the Completion. The proforma gross gearing ratio and net gearing ratio without the additional borrowings are 0.5 times and 0.2 times respectively. Please refer to Section 9.2.8 (iii) for further details of our borrowings. Based on our proforma consolidated balance sheet as at 31 December 2010, we had total interest-bearing indebtedness of RM2,331.8 million. In order to fund future operations and expansion, we expect to continue to incur additional indebtedness. Our indebtedness may limit our ability to obtain additional financing for working capital, capital expenditure, strategic acquisition, general corporate purposes and require us to dedicate a substantial portion of our cash flow to service our debt, which will reduce funds available for other purposes, limit our flexibility in planning for or reacting to changes in the markets in which we compete, place us at a competitive disadvantage relative to our competitors with less indebtedness, render us more vulnerable to general adverse economic and industry conditions, make it more difficult for us to satisfy our financial obligations or be able to refinance maturing indebtedness and affect our ability to declare dividends. We may also be exposed to fluctuations in interest rates and exchange rates as a result of our borrowings.

5.2 Risk factors relating to our businesses

General

5.2.1 Deterioration in our reputation will adversely affect our businesses

Since the establishment of SunCity and SunH businesses, we have built up our reputation and established good business relationships with our customers. Hence, if there is any future adverse publicity against us, our products and/or services, our reputation and business relationships will be affected and our customers may lose confidence in our products and/or services. This will affect our businesses and financial performance.

5.2.2 We are exposed to competition risk

We are exposed to competition risk in all of our businesses.

There is intense competition among property developers to identify and purchase strategically located and reasonably priced landbank, employing skilled labour and purchasing building materials. The success of a property development project is based on a number of factors, which include but are not limited to, location, pricing, accessibility, infrastructure and amenities, quality of development and the reliability and reputation of the property developer. Failure by us to secure strategically located landbank for development, price our products competitively and offer a property which meets or exceeds the expectations of our prospective customers (for a given price range) may have a bearing on our ability to sell such property.

Our construction and quarry business face competition from other listed and non-listed companies operating in the same business. Intense competition may result in highly competitive pricing in securing a contract, which may subsequently affect our financial performance. No assurance can be given that we will be able to compete effectively with current and new entrants into the construction and quarry business in the future.

5. RISK FACTORS (cont'd)

The success of our leisure and hospitality business depends on our ability to compete in providing the best room rates, quality of accommodation, services and amenities including a variety of theme park rides and entertainment. If we fail to provide or refresh our accommodations and amenities to meet the ever increasing expectation of our customers, it may lead to reduced sales and affect our profitability.

Our trading and manufacturing business is required to maintain certain stock levels as part of our operations. In the event we are not competitive, demand for our stocked items may decline resulting in an inventory build-up which will affect our cash flow and profitability due to the associated logistics and warehousing costs. Although we have established our presence in 6 other countries outside Malaysia and have a diverse distribution channel comprising dealers, factories, distributors and directly to end users, there is no assurance that our business model employed will be successful or continue to be successful.

Our healthcare business faces stiff competition from other local private healthcare providers. With an over-concentration of hospitals in certain locations particularly in Kuala Lumpur, Selangor and Penang, we face intense competition for consultants, nurses and patients. There can be no assurance that we will be able to attract or retain our consultants, nurses and patients given the increasing number of healthcare providers in the market.

If we are unable to differentiate ourselves from our competitors or stay competitive for any of our businesses, our profitability may be materially and adversely affected.

5.2.3 Increase in the cost of operations of our businesses

Any increase in raw material prices, labour and sub-contractor costs, overheads, energy costs and other cost of operations may result in lower margins, culminating in a need to increase prices of our products and services. Any material increase in the aforesaid costs will have an adverse impact on our profit margins in the event we are unable to pass on the additional costs by increasing the prices of our products and services. Nevertheless, this risk did not adversely affect us in the past.

5.2.4 We are exposed to retention and succession risk of our key management and Directors

Our success depends to a significant extent on the abilities and continuing efforts of our Directors and key management. Please refer to Sections 11.1.1 and 11.2.1 of this Prospectus for the profiles of our Directors and key management. The loss of any of these persons without a suitable replacement, or our inability to attract and retain qualified and skilled key management, could adversely affect our continued ability to compete in our industries which may then adversely affect our businesses, financial conditions, results of operations and prospects. Nevertheless, this risk did not adversely affect us in the past.

(The rest of this page has been intentionally left blank)

5. RISK FACTORS (cont'd)

5.2.5 We are exposed to risks arising from our overseas business ventures

The majority of our revenue was generated locally, i.e., approximately 84.1%, 77.6% and 70.1% (before inter-company elimination) in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively. Approximately 15.9%, 22.4% and 29.9% (before inter-company elimination) of our revenue was contributed by our overseas business in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively. We are exposed to risks arising from our overseas business ventures. For example, our construction business in countries such as Abu Dhabi, Singapore and India is exposed to added risks given the different business operating conditions and regulatory environments in those countries such as, among others, the general economy, political stability, legal and tax legislation, credit environment and foreign exchange rules. If we fail to fully understand the local environment of our overseas venture, it may cause us to make decisions which may lead to negative outcomes. Furthermore, if we fail to enter into a collaboration/partnership with a suitable partner in our overseas venture (if the need arises), it may also affect our ability to successfully penetrate and build a reputation for ourselves overseas. Should such occur, our operations and profitability may be adversely affected. No assurance is given that our collaboration/partnership with our foreign partners can or will be sustained in the future.

In addition, operating losses were recorded from our overseas operations for the past years/period under review as disclosed in Section 9.2.4 of this Prospectus. There is no assurance that the revenue generated in the future is sufficient to cover the future operating costs.

Furthermore, we are also involved in an arbitration arising from our operations in India whereby there is a claim by Shristi Infrastructure Development Corporation Ltd against Sunway Construction Sdn Bhd for a claim of INR89,14,55,047.83 (equivalent to approximately RM60.15 million based on the exchange rate of RM6.7479: INR100 as at the LPD). Further details are disclosed in Section 15.4(ii) of this Prospectus. If the arbitrator grants an arbitral award in favour of Shristi Infrastructure Development Corporation Ltd and dismiss our counter-claim, this will have an adverse impact on our business and financial performance.

5.2.6 We are dependent on our operating licences

We have been granted various licences, certificates and other clearances from authorities, some of which are subject to periodical renewals, for our businesses. Further details are disclosed in Section 6.8.3 of this Prospectus. There can be no assurance that our licences, certificates and other clearances from authorities will not be revoked or suspended prior to its expiration. There can also be no assurance that we will be able to renew such licences, certificates and other clearances from authorities. Any revocation or non-renewal of our licences, certificates and other clearances from authorities or failure by us to obtain new licences, certificates and other clearances from authorities (if so required) will have a material impact on our ability to continue our operations and hence will affect our profitability. Nevertheless, this risk did not adversely affect us in the past.

5. RISK FACTORS (cont'd)

5.2.7 We are exposed to foreign exchange fluctuations

We have operations in various countries and as such are exposed to the volatility of various currencies we transact with. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposures. Any fluctuations in the foreign exchange rate may have a material and adverse effect on our financial performance.

5.2.8 Increase in interest rates may lead to higher borrowing costs and affect our profitability

Interest rate exposure arises mainly from our borrowings and deposits. Any increase in the interest rates may lead to higher borrowing costs, and in turn, affect our profitability. We have incurred bank borrowings of approximately RM912.3 million to finance the cash portion of the Consideration to the Entitled Holders and expenses related to the Acquisition and the Listing. This will result in additional interest expense of approximately RM45.6 million per annum which may increase further depending on the movement of interest rates. Further details of our borrowings are disclosed in Section 9.2.8(iii) of this Prospectus. Our credit facilities agreements with banks and financiers contain, inter-alia, covenants that may limit our operating and financing flexibility. Any act falling within the ambit or scope of such covenants will require the consent of the relevant banks or financiers.

5.2.9 We may be affected by bad debts

Credit risks arise when sales are made on credit terms in particular for our construction, trading and manufacturing businesses. If our debtors do not pay us and the debts turn bad, we would be required to write-off such debt which would affect our cash flow and profitability. Further details are disclosed in the aging analysis set out in Section 9.2.12 of this Prospectus.

5.2.10 We may face malpractice or negligence suits

Inherent to the business of providing healthcare and related services is the risks of being exposed to potential suits of medical malpractice or negligence. Regardless of the outcome of the suit in a court of law, these suits may adversely affect the image, perception and reputation of our medical centre and our staff in terms of our quality of services and standard of care. If we fail to successfully defend our position or to have sufficient insurance coverage to safeguard ourselves from such suits, it may have an adverse impact on our business and financial performance. Nevertheless, this risk did not adversely affect us in the past.

(The rest of this page has been intentionally left blank)

5. RISK FACTORS (cont'd)

5.2.11 Our current insurance coverage may not be sufficient to cover the risks related to our operations

Although we have taken the necessary measure to ensure that all our assets are adequately covered by insurance in accordance with standard industry practice, there can be no assurance that the coverage would be adequate for the replacement cost of the assets or any consequential losses arising thereof. Any losses or liabilities that are not covered by our standard insurance plan may have a material adverse effect on our businesses, financial condition and results of our operations.

In addition, we are also exposed to potential third party claims or litigation by tenants or other persons relating to personal injury or other damages resulting from contact with or use of our properties, may be made against us as the owner / manager / contractor of the properties. There can be no assurance that the insurance coverage that we have obtained will be adequate to safeguard ourselves from the impact of such potential third party claims or litigation. Nevertheless, this risk did not adversely affect us in the past.

5.2.12 We are subject to political, economic, market and regulatory considerations

Like all other business entities, we could be adversely affected by changes in the political, economic, market and regulatory conditions in Malaysia and the countries in which we operate in. These uncertainties include changes in political leadership, risks of war and riots, expropriation, nationalisation, changes in interest rates, methods of taxation and exchange control policy or rules. In addition, countries could change their interpretation of existing laws, policies and regulations. For example, the property business will be sensitive to, amongst others, interest rate movements, consumer sentiment, regulation and taxation changes or the gradual tightening of credit conditions.

In terms of economic risks, our business operations and financial performance may be affected by a downturn in the Malaysian or global economy. The property, construction and construction-related industries are most likely to be affected by an economic downturn. The recent global financial crisis, the recent European sovereign debt crisis, recent political upheavals in the Middle East and general weakness of the global economy have increased the uncertainties involving the global economy and may continue to affect the key markets in Asia which our Group operates in. Any future decline of the Malaysian and the global economy could materially affect the financial condition or results of operations of our Group.

There can be no assurance that any changes to the political, economic, market and regulatory factors do not have a material and adverse effect on our business and prospects.

(The rest of this page has been intentionally left blank)

5. RISK FACTORS (cont'd)

Industry specific

5.2.13 Our growth is dependent on our ability to secure suitable landbank

Obtaining sizeable landbank at strategic locations is important in ensuring the financial growth and profitability of our property business. Upon Completion, our property business has a landbank of approximately 2,200 acres with a total GDV estimated to be approximately RM23 billion for our on-going and future development. Our landbank mainly comprises parcels of land at locations with development potential within Malaysia such as Kuala Lumpur city centre, and Mont' Kiara in the Federal Territory of Kuala Lumpur, Bandar Sunway, Sunway South Quay, Kota Damansara, Shah Alam, Sungai Long, Seri Kembangan, Bangi and Rawang in the State of Selangor, Sunway City Ipoh in the State of Perak, Penang and Johor and landbank overseas such as China, Singapore, India and Australia. Some of these landbank are developed on a joint venture basis with the landowners, thus affording us some flexibility to defer the launches to suit market demand, given the low land-holding cost. We shall continuously source to increase our landbank at strategic locations with development potential. However, there can be no assurance that we will be able to increase our landbank with parcels of land at strategic locations and with high development potential to spur our future growth.

5.2.14 We may not be able to sustain our current order book

As at 30 June 2011, our construction order book stood at approximately RM1.81 billion of which approximately 24% is derived from overseas. There can be no certainty that the current order book can be sustained in the future given that international contracts are based on open tenders and are very competitive due to the numerous players in the industry. There can also be no assurance that there will be a continuous upward trend in construction activity in the local construction scene. Our inability to maintain a strong order book may have a material adverse impact on our Group's profitability and financial performance.

5.2.15 Our property business is exposed to inventory build-up

Based on our proforma consolidated balance sheet as at 31 December 2010, our inventory in our property business was approximately RM78.6 million. Our property business is exposed to the inherent risk of inventory build-up (i.e. property overhang) which is caused by over-supply and low sale of property due to various external factors such as rising interest rates, negative consumer sentiment, unattractive location of properties or oversupply of properties in the market. The continuing rise in property overhang may have a direct impact on the performance and cash flows of our property business.

5.2.16 Our income is dependent on our ability to secure tenants/lessees

We derive rental income from renting our commercial properties which mainly include Sunway Giza Shopping Mall, Monash University Sunway Campus, Sunway University and Wisma SunwayMas. Our rental income would be affected by lower occupancy rate and non-renewal of existing tenancy agreements due to unfavourable economic condition.

Inability of tenants to pay the rental during difficult times will also result in the provisions or write-offs of debt which will affect our cash flow and profitability. Nevertheless, this risk did not adversely affect us in the past.

5. RISK FACTORS *(cont'd)*

We also receive income distribution from our investment in the units of Sunway REIT. Sunway REIT's financial capability to make distributions will depend significantly on its ability to continuously lease properties to tenants on economically favourable terms, to retain its existing major tenants and/or to secure new tenants.

5.2.17 Deterioration in the value of our properties

Our property business is subject to changes to the following factors that may adversely affect the value of our properties:

- (i) the quality of our tenants;
- (ii) the physical attributes of the building in relation to the competing buildings (i.e. age, condition, design, access to public transportation); and
- (iii) the desirability of the area as a location for business, leisure and etc.

The consequences of any changes to the above may have an adverse impact on our business, financial condition, results of operations and prospects.

5.2.18 Illiquidity of property investment

Property investments are relatively illiquid given the sizeable values involved, and as a result, the time taken in the process of identifying potential suitors up to the completion of the transaction is lengthy. The sizeable values also cause the lack of tradability as a result of limitations in the financial abilities of potential purchasers. The illiquidity limits the ability of an owner or a developer to convert real estates into cash on short notice or may require a substantial reduction in price that might otherwise be sought for such assets to ensure a quick sale. This also limits our ability to vary our portfolio in response to changes in economic or other conditions. Furthermore, there can be no assurance that we will be able to sustain the long-term leases consistently in the future.

5.2.19 We are dependent on third party contractors

Our property and construction businesses are substantially dependent on the support of third party contractors to ensure the continuous supply of services and construction materials. Any non-satisfactory performance of our appointed contractors and their inability to supply sufficient labour, whether skilled or unskilled and insufficient quality building materials will inevitably disrupt the progress and/or quality of our operations and will have an adverse effect on our profitability.

5.2.20 We are exposed to unforeseen delays in the completion of our projects

The timely completion of property and construction projects is dependent on many external factors such as obtaining the necessary approvals on a timely basis, sourcing and securing quality construction materials in adequate amounts on favourable credit terms and the satisfactory performance of the contractors appointed to complete the projects. Any delay in the completion of our projects may result in claims for liquidated and ascertained damages by our customers, thus affecting our cash flow, profitability and reputation. Nevertheless, this risk did not adversely affect us in the past.

5. RISK FACTORS (cont'd)

5.2.21 We are exposed to inherent risks in the construction industry

Among the risks relating to our construction business are shortages of construction materials and skilled workers, non-availability and inefficiency of equipment, price increase in construction materials, labour disputes, the non-performance or unsatisfactory performance of contractors, inclement weather, natural disasters, accidents, failure or postponement of the issuance or grant of licences, permits and approvals, non-compliance of designs to local standards and unforeseen engineering or environmental problems. Construction delays, loss of revenue and cost over-runs are likely to result from such events, which could in turn materially and adversely affect the operations and financial performance of our construction business.

5.2.22 Our failure to comply with laws and regulations relating to environment and health and safety may result in penalties

In general, all our construction activities, quarries and building materials factories generate dust, waste and noise pollution. We are required to comply with various environmental laws and regulations relating to water, air and noise pollution, and the disposal of waste materials. Our failure to comply with such environmental laws and regulations may result in penalties and in serious cases, closure of our construction sites, quarries and building materials factories. Should this occur, our operating profits would be adversely affected. Any tightening of environmental laws may require us to invest significantly in equipments and machineries or to implement added processes to our current operations in order to meet such changes in environmental laws and regulations. Further, some of our operations may be affected by changes in health and safety laws and regulations where compliance with these new laws and regulations may entail significant expenses to us. There can be no assurance that the future costs of compliance with such laws and regulations will not have a material adverse impact on our businesses and profitability. Nevertheless, this risk did not adversely affect us in the past.

5.2.23 We are exposed to inherent risks in our quarry and building materials businesses

The primary output from our quarries, being aggregates, are generally utilised for the construction of buildings and infrastructure such as roads and bridges within the vicinity of our quarries. Aggregates are used for the production of building materials such as cement and ready-mixed concrete and also form the base material for various applications, such as road and railway construction as well as the production of concrete, mortar and premix products.

Our quarry division also produces premix products that are generally used for road construction and maintenance. As such, the general demand for our quarry and premix products is highly dependent on the health of the construction industry. We are exposed to the volatility in bitumen prices given that bitumen forms the bulk of the production cost of premix.

In addition, other key raw materials for our quarry operations are diesel, lubricants and explosives. As such, our operations are subject to the volatility in prices of these raw materials and any increase may affect our profit margin.

Similarly, our building materials business which comprises the manufacturing of tiles and pipes are highly dependent on construction activities and any increase in prices of raw materials such as cement, clay and natural gas may affect our profit margins if the increased costs cannot be passed on to our customers.

5. RISK FACTORS (cont'd)

5.2.24 We may not be able to renew the lease of certain quarries

Some of our quarries are located on land which are under lease or license such that our quarrying activities are subject to renewal of the said lease or licences. Although we have to date, been able to renew such lease or licences, there is no assurance that we may be similarly successful in renewing the leases or licences when the tenure of such leases or licences expire in the future. In addition, there can be no assurance that the leases or licences of our quarries will not be revoked due to non-compliance with the relevant rules and regulations governing the quarry business. Our failure to renew the leases or licences of such quarries would adversely affect our operating profits.

5.2.25 Our leisure and hospitality businesses may be affected by the outbreak of infectious diseases

We are susceptible to the outbreak of diseases. For instance, the outbreak of severe acute respiratory syndrome ("SARS") had a material impact on our financial results and operations for the financial year ended 31 December 2003. As a consequence of SARS, some countries implemented immigration policies to restrict travellers coming from SARS affected countries or regions and several airlines reduced flights to and from such affected areas. As a result, our operations and profitability were affected due to the reduced number of tourist arrivals and cancellation of hotel reservations. If SARS were to re-emerge or any other outbreaks of similar potential hazardous nature were to occur, for example avian flu or swine flu, the financial condition and operating results of our leisure and hospitality business may be adversely affected. Nevertheless, this risk did not adversely affect us in the past.

5.2.26 Our trading and manufacturing business relies on agency lines

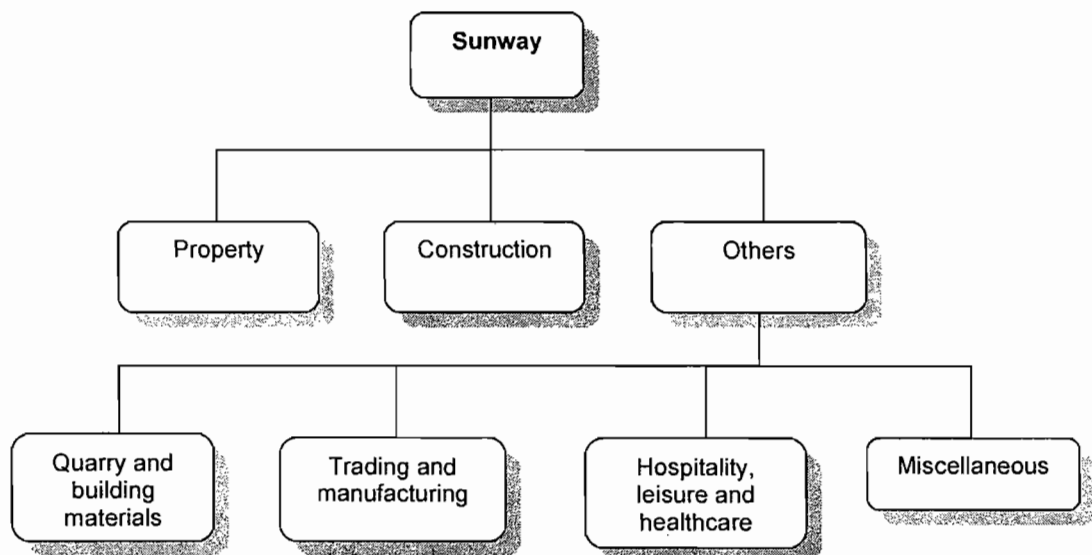
A principal activity of our trading and manufacturing business is the agency and distribution of various branded hoses and fittings, heavy equipment parts and building materials. The distribution of these products is based on terms of distribution agreements signed with manufacturers and/or principals. There is no assurance that the principals may not adversely vary the terms in the distribution agreement nor withdraw the rights for our trading and manufacturing business to distribute their products. In addition, there is no assurance that customers will continue to purchase products from us and they may resort to purchase directly from the principals and/or other agents/distributors.

(The rest of this page has been intentionally left blank)

6. BUSINESS OVERVIEW

6.1 Business overview

We were set up as a special purpose company to facilitate the Acquisition. Upon the Completion, the Sunway Group comprising the SunCity Business and the SunH Business will consist of 2 main businesses, namely, property and construction. Other businesses include quarry and building materials, trading and manufacturing as well as hospitality, leisure and healthcare.



6.1.1 Property

Our property business has strength in developing innovative and quality residential, industrial and commercial properties. We have delivered over 17,000 units of residential, industrial and commercial properties, including high-end bungalows. As at LPD, this business has access to landbank of approximately 2,200 acres with a total GDV estimated to be approximately RM23 billion. Our property business contributed approximately 35.2%, 27.2% and 27.9% (before inter-company elimination) to our revenue in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively.

We have developed Bandar Sunway, an 800 acres integrated resort township situated in Klang Valley, Selangor in Malaysia. Bandar Sunway is an integrated development with 6 key components namely residential, industrial and commercial properties, hospitality, retail mall, leisure and theme park as well as health care and education, which include Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Menara Sunway, Sunway Pyramid Shopping Mall, Sunway Lagoon, Sunway University, Monash University Sunway Campus and Sunway Medical Centre.

Bandar Sunway is further complemented by the ongoing development of Sunway South Quay, a lakeside mixed-use development project which spreads across 123 acres of land comprising luxury lakeside bungalows, high-end condominiums, serviced apartments, boutique shops, retail outlets, shop offices and suites. The total GDV for the project is estimated to be RM5.2 billion.

In addition, Sunway Velocity, another major integrated development, is located less than 5 kilometres to the south of Kuala Lumpur City Centre. It is a 22.6 acres integrated mixed-use development comprising a shopping mall, shop offices and serviced apartments. The total GDV for the project is estimated to be RM3 billion.

6. BUSINESS OVERVIEW (cont'd)

We own 36.7% in Sunway REIT which is managed by our wholly-owned subsidiary, Sunway REIT Management Sdn Bhd. Sunway REIT owns a portfolio of retail and commercial properties such as Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Hotel Seberang Jaya, SunCity Ipoh Hypermarket, Menara Sunway, Sunway Tower and Putra Place (Kuala Lumpur). Other than distribution income from the Sunway REIT, we also receive management fees from Sunway REIT.

Under our property business, we also develop, own, and/or manage retail and commercial properties such as Monash University Sunway Campus, Sunway University and Sunway Residence in Bandar Sunway as well as Sunway Giza Shopping Mall in Kota Damansara, Selangor.

(i) Local presence

Some of the real estate developments currently being undertaken are:

- (a) Sunway South Quay, a lakeside mixed-use development project which spreads across 123 acres of land comprising luxury lakeside bungalows, high-end condominiums, serviced apartments, boutique shops, retail outlets, shop offices and suites. The total GDV for the project is estimated to be RM5.2 billion;
- (b) Sunway Velocity, another major integrated development, is located less than 5 kilometres to the south of Kuala Lumpur City Centre. It is a 22.6 acres integrated mixed-use development comprising a shopping mall, shop offices and serviced apartments. The total GDV for the project is estimated to be RM3 billion;
- (c) Sunway Damansara, an integrated township comprising residential, commercial and industrial development spread across approximately 400 acres of land in Kota Damansara, Selangor. This project is a joint venture development with Perbadanan Kemajuan Negeri Selangor. The total GDV of the project is estimated to be RM2.7 billion;
- (d) Sunway Palazzo, a luxury condominium project situated on 4 acres of land located in Sri Hartamas, Kuala Lumpur with views of the Kuala Lumpur cityscape. The total GDV of the project is estimated to be RM455 million;
- (e) Sunway Rydgeway, a stratified landed development in Taman Melawati, Selangor comprising zero lot bungalows and semi-detached homes. The total GDV of the project is estimated to be RM190 million;
- (f) Sunway SPK 3 Harmoni, a garden townhouse development with only 16 units per acre. The total GDV of the project is estimated to be RM188 million; and
- (g) Sunway PJ@51a, an integrated commercial park located in Petaling Jaya, Selangor comprising office suites, retail outlets and showrooms. The total GDV of the project is estimated to be RM105 million.

6. BUSINESS OVERVIEW (cont'd)

(ii) Overseas presence**(a) Singapore**

Our public housing projects, City View @ Boon Keng and The Peak @ Toa Payoh (with estimated GDV of RM1.0 billion and RM1.6 billion respectively) maintained steady progress throughout 2010 and 2011. City View @ Boon Keng is our maiden property development venture in Singapore, followed by The Peak @ Toa Payoh, both secured through a joint venture with Hoi Hup Realty Pte Ltd. These projects are under the Design, Build and Sell Scheme ("DBSS") by HDB and are residential units strategically located near Mass Rapid Transit stations in Singapore.

Following the success of the above mentioned projects, the joint venturers launched their first freehold private development, the Vacanza@East in District 14, Singapore, with a GDV of approximately RM1.1 billion. This was followed by the launch of the Miltonia Close project in June 2011, with a GDV of approximately RM 900 million and the project is 40% sold as at LPD.

Future launches in Singapore will include an Executive Condominium in Tampines, a DBSS condominium in Yuan Ching Road and a 3-storey terrace house development in Sembawang.

(b) China

The first development was launched in Jiangyin, China, which comprises medium to high-end apartments and specialty shops. The total GDV of the 17 acre project is estimated to be RM492 million. It is located within the central business district of the Jiangyin New Harbour City.

We have also signed a collaboration agreement in April 2010 to participate in Tianjin Eco-City with the master developer, Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd ("SSTEC") for a project with total GDV estimated to be RM5 billion on parcels of land measuring approximately 99 acres over a period of 5 years ("Proposed Development"). Following thereto, we have signed the equity joint venture agreement in October 2010 with SSTEC to develop approximately 69 acres under the Proposed Development. The balance of approximately 30 acres will be undertaken by another planned foreign equity joint venture to be entered into later.

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

6. BUSINESS OVERVIEW (cont'd)

(c) India

We have embarked on a partnership with Opus Developers & Builders Private Limited in India to develop Sunway Opus Grand Residency, an exclusive 35 acres development with total estimated GDV of RM745 million in the suburb of Ameenpur, Hyderabad.

We have also signed a joint venture agreement for a property development project, Sunway MAK, in Hyderabad, India with MAK Projects Private Limited, the property developer of Banyan Tree Retreat in Hyderabad.

(d) Australia

We have entered into a joint venture with Australand Industrial No. 111 Pty Ltd to develop industrial land located in a logistic precinct in Sydney, Australia.

A summary of some of our local and overseas presence of our property business is set out below:

<u>Real estate development</u>	<u>Estimated GDV of the project</u>	<u>Acreage of the project (approximately)</u>
Local presence		
Sunway South Quay	RM5.2 billion	123 acres
Sunway Velocity	RM3.0 billion	22.6 acres
Sunway Damansara	RM2.7 billion	400 acres
Sunway Palazzo	RM455 million	4 acres
Sunway Rydgeway	RM190 million	14 acres
Sunway SPK 3 Harmoni	RM188 million	11 acres
Sunway PJ@51a	RM105 million	3 acres
Overseas presence		
<i>Singapore</i>		
City View @ Boon Keng	RM1.0 billion	5 acres
The Peak @ Toa Payoh	RM1.6 billion	7 acres
Vacanza@East	RM1.1 billion	5 acres
Miltonia Close	RM900 million	7 acres
<i>China</i>		
A development in Jiangyin	RM492 million	17 acres
Participation in Tianjin Eco-City	RM5 billion	99 acres
<i>India</i>		
Sunway Opus Grand Residency	RM745 million	35 acres
Sunway MAK	RM180 million	14 acres
<i>Australia</i>		
An industrial land development in Sydney	RM800 million	114 acres

6. BUSINESS OVERVIEW (cont'd)

6.1.2 Construction

Our construction business is an integrated solution provider in the construction industry which offers turnkey, design and build capabilities with award-winning recognition in the fields of building construction, civil engineering, infrastructure, mechanical and electrical engineering, machinery and site equipment rental, precast, foundation and piling, and stone materials. Our construction business contributed approximately 32.7%, 33.1% and 34.9% (before inter-company elimination) to our revenue in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively.

Our expertise in both civil and building construction was further recognised with the G7 Contractor Award garnered in the Malaysian Construction Industry Excellence Award 2009. Building on our market presence globally as well as our niche in the design and build sector, our construction business is set to meet the growth targets for the year and more importantly, to secure the foundations for continued growth.

(i) Local presence

On the local front, our ongoing projects include the construction of 2 high rise government office buildings in Precinct 4, Putrajaya, a hotel and a office building in Precinct 1, Putrajaya, expansion of the UiTM campus, extension of the Impiana Hotel, Kuala Lumpur and Sunway Velocity.

Major completed projects during the financial year ended 2010 include main drain works and canal de-silting works at Precinct 17, Putrajaya, infrastructure works in Precinct 11, Putrajaya and the construction of Section 1B of the South Klang Valley Expressway.

(ii) Overseas presence

(a) Abu Dhabi

Construction works at our Rihan Heights project in Abu Dhabi is currently progressing steadily and as at the LPD is approximately 90% completed. This project involves the construction of 5 residential towers, a 3-level podium, townhouses, a clubhouse and car park lots which was developed by Mubadala Capitaland Real Estate LLC, a joint venture between Mubadala Real Estate LLC and Capitaland Limited. The contract is undertaken jointly with Silver Coast Construction & Boring LLC, our partner in Abu Dhabi, and has a contract sum of approximately RM1.5 billion.

(b) Singapore

Our precast concrete products plant was established in Singapore since 1999. Our plant, located in Tampines, doubled its capacity to 120,000 cubic metres per annum in 2009. An approved precaster by HDB for public housing projects, the expansion coincides with the growing demand for HDB houses. As at 30 June 2011, our outstanding order book of over RM165 million includes the supply of precast concrete products to public housing projects as well as for our own development projects.

6. BUSINESS OVERVIEW (cont'd)

6.1.3 Others

6.1.3.1 Quarry and building materials

Our quarry and building material businesses contributed approximately 15.4%, 14.7% and 10.3% (before inter-company elimination) to our revenue in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively.

Quarry

We produce and supply crushed rock aggregates and asphalt. We provide a comprehensive range of aggregates to meet the demand from the building and construction industries. We operate 7 quarries and 7 asphalt plants strategically located throughout Peninsular Malaysia. We also operate quarries in Trinidad and Tobago and Vietnam.

Building materials

We manufacture and sell pavers, pipes and spun piles. We provide pavement and flooring solutions from our manufacturing plants in Batang Kali in Selangor, Senai in Johor and Nibong Tebal in Penang.

We have ventured into China by setting up 2 pavers manufacturing plants in Shanghai and Dongguan and a spun pile manufacturing plant in Zhuhai, China.

6.1.3.2 Trading and manufacturing

Our trading and distribution network is located in Malaysia, Singapore, Thailand, Indonesia, China, Australia and India. We have recorded over 8,000 customers in 32 cities outside Malaysia. Our trading and manufacturing business contributed approximately 14.5%, 16.1% and 16.9% (before inter-company elimination) to our revenue in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively.

We presently carry our own brands "Sunflex" and "Totalrubber" for hoses and fittings, and "Suntrak" for heavy equipment parts. In addition, we are the distributor for global brand names such as Furukawa, Airman, SANY and Lonking for heavy equipment, TREK and FP Diesel for heavy equipment parts as well as Finn Power, SSP, DNP, Tipsa and Copperstate for hoses and fittings.

We manufacture track links and other heavy equipment parts via Sunway Daechang Forging (Anhui) Co. Ltd, a joint venture with DCF Trek Co. Ltd of Korea, and manufacture hydraulic couplings and fittings via another joint venture company, Sunway Xin Long (Anhui) Hydraulic Co. Ltd. Both operations are located in Anhui, China.

(The rest of this page has been intentionally left blank)

6. BUSINESS OVERVIEW (cont'd)

6.1.3.3 Hospitality, leisure and healthcare

Our hospitality, leisure and healthcare businesses contributed approximately 12.8%, 15.8% and 15.8% (before inter-company elimination) to our revenue in year ended 30 June 2008, 18-month period ended 31 December 2009 and year ended 31 December 2010, respectively.

Hospitality

We are a reputable hotel manager under the brand names of Sunway Hotels & Resorts and Allson Hotels & Resort. We manage a range of hotels rated from 3 to 5-star with convention, meeting and exhibition facilities, luxurious villas and serviced apartments. We also own and manage The Banjaran Hotspring Retreat in Perak.

We are the hotel operator of Sunway Resort Hotel & Spa, Pyramid Tower Hotel and Sunway Hotel Seberang Jaya, properties which we have leased from Sunway REIT.

We also own and operate hotels in Georgetown in Penang, Hanoi in Vietnam and Phnom Penh in Cambodia.

Leisure

Sunway Lagoon has won the prestigious 'Asia's Best Attraction Awards – Medium Attraction Category' awarded by the International Association of Amusement Parks & Attractions ("IAAPA") for 4 consecutive years (2007 to 2010). Sunway Lagoon consists of 5 themed parks, namely the Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park. It is also a venue to host prestigious and international concerts and events.

We also own The Lost World of Tambun, a theme park located in Perak, which is surrounded by limestone hills and caves with natural hot spring within the theme park.

Healthcare

Sunway Medical Centre, which has 335 beds, offers a comprehensive range of medical services including facilities and medical care for outpatient and inpatient specialty care, health and wellness programme and 24-hour emergency services.

6.2 Our competitive strengths

We believe our competitive strengths include the following:

6.2.1 Strong track record with long-term strategic partners

We have a strong track record with several long-term strategic partners, which include GIC that will hold approximately 12.3% in Sunway. Apart from GIC, we have attracted various strategic local and foreign partners including Kuwait Finance House (Malaysia) Berhad, Employees Provident Fund, Australand Industrial No. 111 Pty Ltd (a subsidiary of Capitaland Limited), Perbadanan Kemajuan Negeri Selangor (a body corporate under the Selangor State Government), Goldman Sachs Strategic Investments (Asia) LLC and Hoi Hup Realty Pte Ltd (a property developer in Singapore).

6. BUSINESS OVERVIEW (cont'd)

6.2.2 A recognised and well-known brand

The strength of the Sunway brand is well established in the ASEAN region. For 2 consecutive years in 2008 and 2009, we won Malaysia's Most Valuable Brands by Interbrand and the Association of Accredited Advertising Agencies Malaysia (4As) and the BrandLaureate Conglomerate Awards by Asia Pacific Brands Foundation. Winning both the awards for 2 consecutive years affirms our success in becoming a brand with high equity. The strength of our brand is further affirmed by our success in winning the Bronze Award in the property category awarded by Putra Brand Awards 2011. We have also been recognised for our outstanding achievements in Corporate Social Responsibility by winning the Overall Award at the prestigious Prime Minister's Corporate Social Responsibility Awards 2010.

6.2.3 A strong human capital base

We have a strong human capital base whereby our employees across our Group are talents of many facets. We invest in staff development and retention programs and we recognise the importance of succession planning in the interest of giving our stakeholders sustainable value. To further sustain our competitive strength in the international arena, we leverage on global talent recruitment. We also strive to inculcate a culture of excellence amongst our people. Further information on our employees is disclosed in Section 11.8 of this prospectus.

6.2.4 Established reputation

(i) Property

We commenced operations as a property developer in 1986, primarily to develop Bandar Sunway, an 800 acres integrated resort township situated in Klang Valley, Selangor in Malaysia. We have expanded our principal activities from property development to property investment and ownership and operation of hospitality, theme park, recreational and health care businesses.

We have sold and delivered more than 17,000 units of properties, including high-end bungalows sold for as high as RM6 million per unit. As at the LPD, we had a total landbank of approximately 2,200 acres as well as developments with a total GDV estimated to be approximately RM23 billion across residential and commercial units.

(ii) Construction

Since the commencement of our construction business in 1978, we have established a track record within the construction industry, focusing on building works and civil engineering as well as mechanical and electrical engineering which recorded turnover of more than RM10 billion over the years. Major projects completed by us include the Kuala Lumpur Convention Centre, Traders Hotel, Kajang Ring Road, part of South Klang Valley Expressway and several government buildings in Putrajaya apart from those in the vicinity of Bandar Sunway, for example Sunway Pyramid Shopping Mall, Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Lagoon. We had also ventured into foreign markets, such as India, Singapore and Abu Dhabi. Our established track record underlines our sturdy business profile and positions us to secure new projects.

6. BUSINESS OVERVIEW *(cont'd)*

6.2.5 Healthy construction order book and proven ability to replenish construction contracts

Our Group's outstanding construction order book is healthy, coming up to RM1.81 billion as at 30 June 2011, and will sustain us over the next 3 years. Moving forward, our Group is well positioned to secure some of the expected job roll-outs from the Government of Malaysia and joint public-private partnerships as well as any jobs that may arise from the expected growth in the property sector.

Our foregoing views are premised on the following:

- (i) our track record in execution which includes completion of landmark projects like Kuala Lumpur Convention Center, Traders Hotel Kuala Lumpur, Kajang Ring Road and South Klang Valley Expressway;
- (ii) an experienced management and technical team, which includes, amongst others, Kwan Foh Kwai, our Managing Director of Construction Division, who is the current President of the Master Builders Association of Malaysia, and Dato' Tan Kia Loke, our Senior Managing Director of Construction and Quarry Divisions, who is a Board member of CIDB;
- (iii) domestic recognition of our expertise where Sunway is registered under grade G7 by the CIDB and awarded Contractor Award – Grade G7 in The Malaysian Construction Industry Excellence Awards (MCIEA) 2009;
- (iv) international recognition of our expertise resulting in a group of international clientele including Mubadala Real Estate LLC, Capitaland Limited and National Highways Authority of India; and
- (v) our successful pre-qualification for large government jobs including the LRT extension.

In addition, our Group's proven ability vis-à-vis order-book replenishment is demonstrated by our success in maintaining a healthy outstanding construction order book for the past 3 years, i.e. year 2008 to year 2010, averaging RM3.0 billion annually.

6.3 Business strategies, future plans and prospects

6.3.1 Value of the merger

The Acquisition will allow us to generate value in 4 key ways:

(i) Optimise access to capital markets

From an equity market point of view, a larger entity will increase liquidity and therefore command greater investor interest. Pooling cash across entities will also enhance cash management and thus reduce financing costs. With better access to capital markets, we will be able to fund the investments required to strengthen our core businesses. A larger and stronger balance sheet will also empower us to bid for larger and more profitable projects.

6. BUSINESS OVERVIEW (cont'd)

(ii) Realise synergies between property and construction businesses

By collaborating more closely on design and build, the property and construction business can improve development quality and operational efficiency. This is particularly true of larger and more complex developments, where in-house construction expertise can be an important strength for the property business.

(iii) Realise basic cost synergies

There are also basic cost synergies to be realised by combining the businesses of SunCity and SunH through the pooling of procurement of raw materials and various services as well as streamlining back-office functions such as information technology, human resources and finance operations to increase efficiency.

(iv) Brand clarity

Combining the entities will improve the clarity of the "Sunway" brands and alleviate any concerns regarding conflicts of interest.

6.3.2 Overall shape of business portfolio

Going forward, we believe our combined businesses fall into 3 broad categories:

(i) Property

This category includes our property businesses comprising property development, property investment as well as management and investment in Sunway REIT. In addition, a number of our other businesses, including hospitality, leisure and healthcare will work closely with our property businesses to increase the value of our integrated developments. We plan to reinforce the linkages across these related businesses to solidify and replicate our unique integrated development model.

(ii) Construction

This category includes our range of activities along the construction value chain, from pre-cast to contractor services to specialty engineering, both in Malaysia and abroad. Construction is an important part of our heritage and will remain a stand-alone business unit with substantial third-party sales.

(iii) Others

We believe the businesses in this category demonstrate potential in their respective markets. For example, the trading and manufacturing business and the quarry business have the potential to become market leaders in their respective industries. We intend to nurture these businesses and drive them towards their full potential.

6. BUSINESS OVERVIEW (cont'd)

6.3.3 Vision for our businesses

We aim to become a leading regional property and construction group. We will focus our energy and resources on the following strategic paths:

(i) Property

Several strategic thrusts and priorities going forward: (a) continuous improvement in our development expertise; (b) replication of our "integrated development" model in new geographies both locally and overseas; (c) embarking on more research activities to generate innovative offerings that cater to the changing social trends; (d) further enhancement of loyalty from our existing customers.

We will be moving cautiously into international markets by building strong strategic partnerships and cultivating strong in-house local expertise. Our '5 Ps' approach to regional expansion stresses the importance of (a) identifying **places**/locations with high growth in their population and per capita income, (b) building strong relationships with local **partners**, (c) bringing our **people** overseas, (d) codifying our expertise in replicable **processes**, and (e) strengthening **perception** of our brand overseas.

(ii) Construction

Several strategic thrusts and priorities going forward: (a) moving up the value chain towards specialty construction services, including higher margin and higher value-added engineering and pre-cast, where we have already established presence in certain segments, and positioning ourselves as a total solutions provider; (b) more sophisticated and high value-added projects as compared to standard construction jobs; (c) tighter design and build links with property business using our "5D" digital software to improve development quality and drive down costs.

(iii) Others

We will focus on growing our trading and manufacturing, and quarry businesses into market leading businesses. Our trading and manufacturing business will focus on strengthening our brand, manufacturing partnerships and distribution channels, primarily in China. Our quarry business will focus on identifying well-located sites and drive towards regaining scale position within Malaysia. Given our capabilities and experience in the Malaysian quarry business, we are confident that we will be able to strengthen our position. Our hospitality, leisure and healthcare businesses will work closely with our property business to increase the value of our integrated developments. All other businesses will also be expected to drive towards leadership in their respective market segments.

6.3.4 Prospects

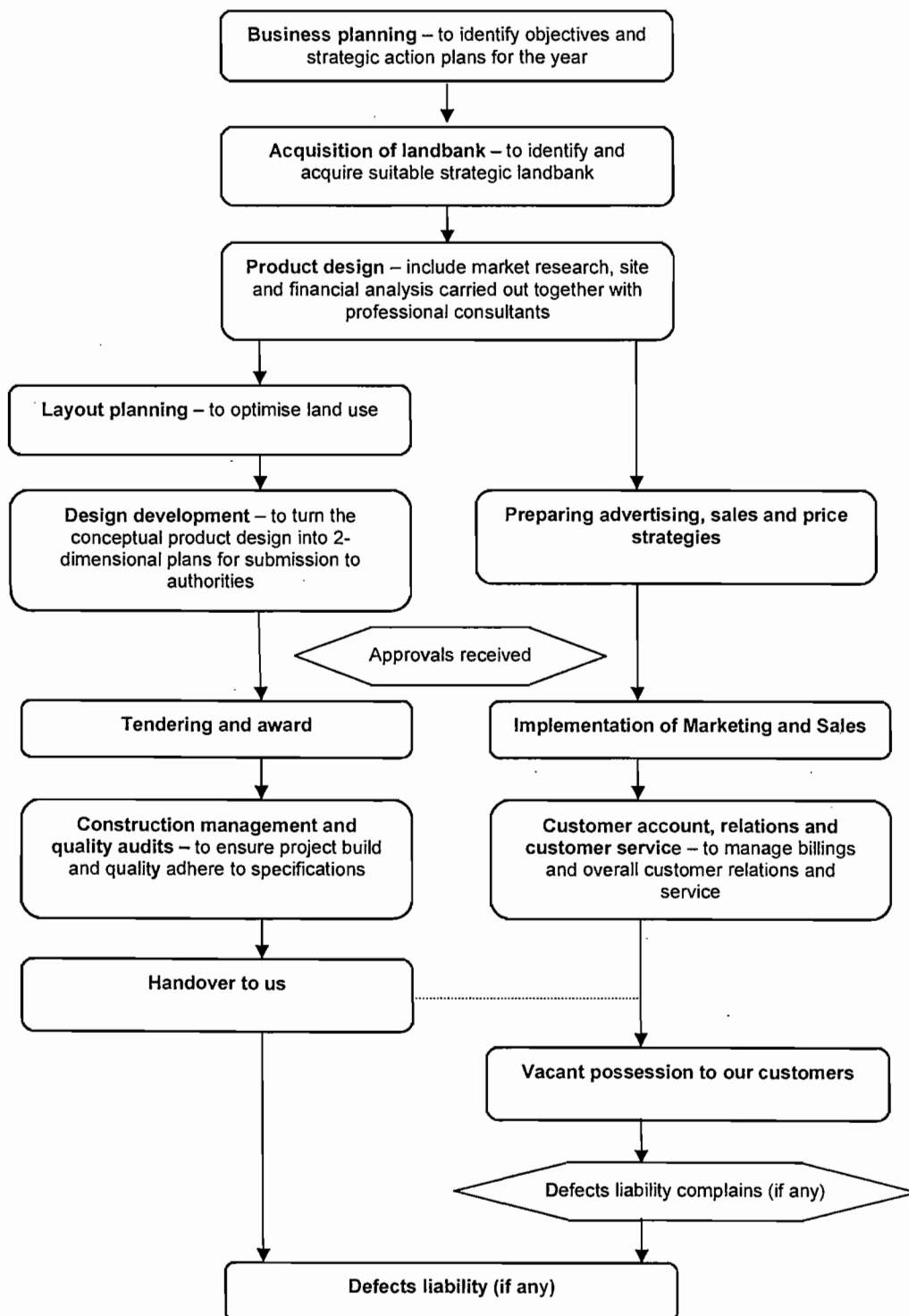
In light of the industry prospects, condition and competition, and as disclosed in Section 9.2.17 of this Prospectus, our Directors expect the results of our Group's operations for the year ending 31 December 2011 to be sustainable. The prospects and outlook of the main industries which we are involved are disclosed in Section 7 of this Prospectus.

6. BUSINESS OVERVIEW (cont'd)

6.4 Operating or trading mechanisms

6.4.1 Property

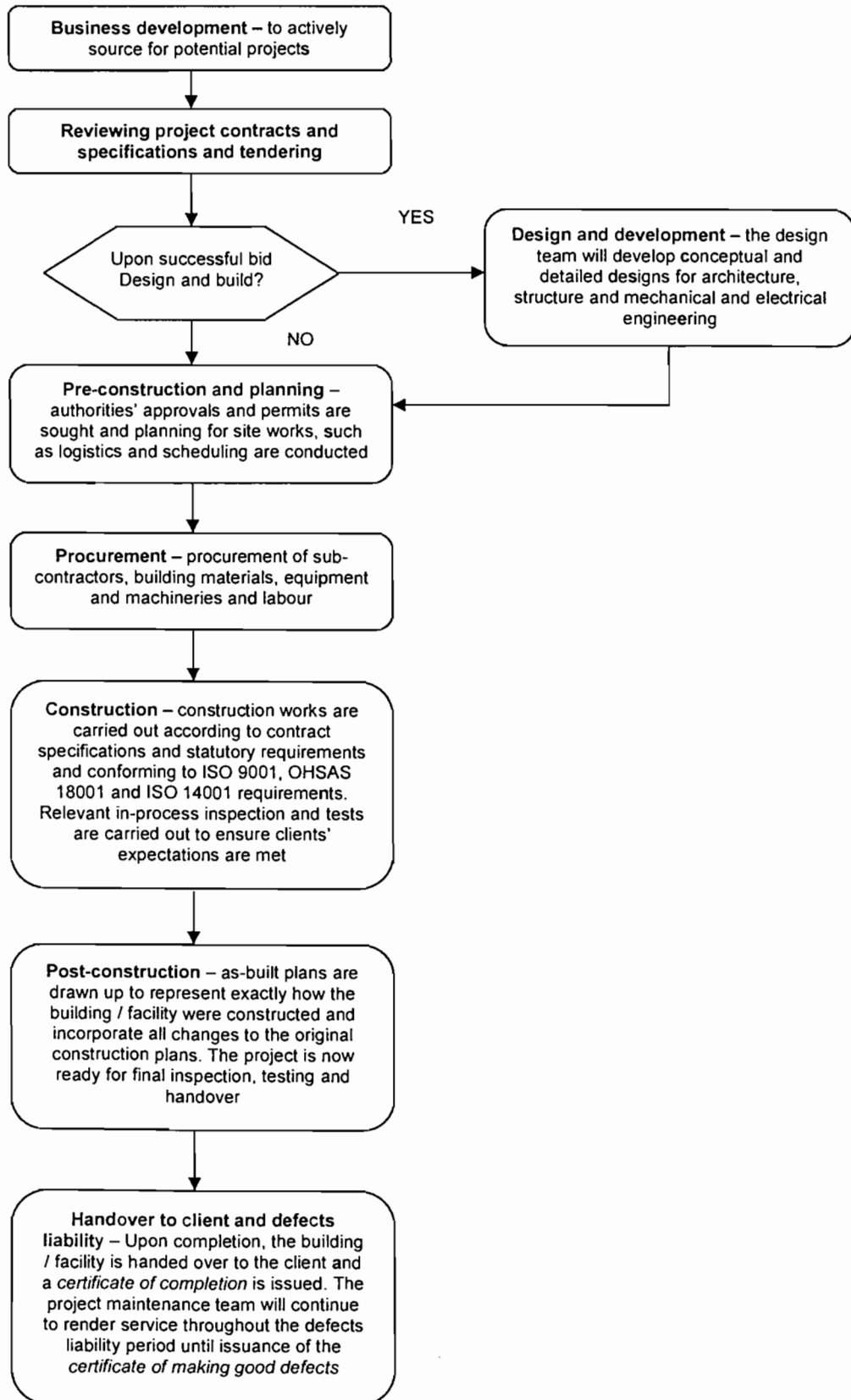
We generally adopt the following process in our property business.



6. BUSINESS OVERVIEW (cont'd)

6.4.2 Construction

We generally adopt the following process in our construction business.



6. BUSINESS OVERVIEW (cont'd)

6.5 Types, sources and availability of resources

Our resources include both financial and non-financial resources and are as set out below:

6.5.1 Financial

We are able to source required financing from various sources such as internally generated cash, borrowings from financial institutions and/or from the capital markets.

6.5.2 Non-financial

We have access to landbank of approximately 2,200 acres. However, we constantly seek to acquire strategic landbank both locally as well as overseas.

We maintain a list of experienced consultants and contractors with good track records given their importance to our Group.

The use of steel materials, concrete and diesel constitute a large part of the raw materials used in our construction business. We source our steel materials, concrete and diesel from local manufacturers and suppliers. With adequate sources of supply thus far, we have not experienced any shortages in the supply of our steel materials, concrete materials and diesel. However, volatility in prices of land and raw materials may affect our Group adversely. Increase in the cost of land and raw materials are an inherent risk in the property industry and may affect our profit margin. For further details, please refer to Section 5.2.3 of this Prospectus.

6.6 Technology used and processes

6.6.1 Property

We design products that comply with Singapore's BCA Green Mark requirements and adopt environmentally sustainable construction methods by using recyclable and energy-efficient materials such as aluminium and steel form precast and dry wall, converter air-conditioners, solar panels, low-emissivity glass, water-saving closet and others.

All our products are subject to stringent quality controls using the Singaporean quality standard, Construction Quality Assessment System ("CONQUAS") and the Malaysian quality standard, Quality Assessment System in Construction ("QLASSIC").

Since its introduction in 1989 by BCA, CONQUAS has served as a prominent standard assessment system on the quality of building projects and is widely used in Malaysia, China, Hong Kong, United Kingdom, Australia, South Africa and India.

QLASSIC is a system to measure and evaluate the quality of workmanship and construction work based on relevant approved standards through a scoring system.

Other than the above, pre-delivery inspections are carried out, as part of our standard quality control procedures, 3 months prior to delivery of vacant possession to our customers.

In addition, we use information technology extensively to enhance processes, share knowledge, speed-up decision making, connect with customers as well as to add value to the end products by installing consumer-centric technology such as satellite television, broadband-ready infrastructures, smart home systems, advanced security features and others.

6. BUSINESS OVERVIEW (cont'd)

6.6.2 Construction

We build on our capability to design innovative quality and value-added construction works using the latest tools and technologies. The use of system formwork technology is one of our initiatives to further enhance construction efficiency and productivity, speeding up construction, enhancing workplace safety and reducing dependency on foreign labour.

We also adopt environmental friendly construction system and methods. Our team of GBI facilitators, BCA Green Mark and LEED accredited professionals, and GBI Commissioning Specialists are well-equipped to design and further improve construction or engineering processes encompassing green elements.

Another technology being used is IBS. IBS is a construction system whereby building components are manufactured on or off the site, transported and then assembled into a structure. We have in-house capability to design and manufacture standardised and customised precast concrete components which are used, for example, in the upgrading of lifts, volumetric architectural facade, and prefabricated toilets. The use of IBS reduces dependency on labour, minimises handling of materials on site and enables fast-track construction while achieving better quality control at a lower cost.

6.7 Research and development

6.7.1 Property

We conduct research and development primarily in the areas of product development. Research is conducted continuously to maintain our competitive strength in the market. Types of research conducted include studies on the economy, demographic change, trends in design and competitors activities. In addition, surveys and focus groups are conducted to understand our customers' needs and to seek their feedback on our products and services. Such feedback is then used to improve upcoming products. We also conduct regular knowledge-sharing session with industry and in-house experts to tap on their expertise and enhance our products offerings and designs. We emphasise on innovation during our product development phase to create differentiated products from current market offerings.

6.7.2 Construction

We focus on research and development to provide value to our customers. We are developing a virtual design and construction tool, commonly known as Building Information Modelling ("**BIM**"). BIM enables an accurate 3D model of a building to be constructed digitally. The computer-generated model contains physical and functional information of the building components needed to support the construction, fabrication and procurement activities in order to realise the building. The BIM model also enable effective trade coordination and integration of architecture, structure and mechanical and electrical works, clash detection of design at an early stage and automated quantity take-off.

6. BUSINESS OVERVIEW (cont'd)

6.8 Quality assurance

We place emphasis on quality and adhere to stringent quality standards. Quality assurance measures are established by us at various stages of our projects. We employ a team of qualified and experienced engineers, architects and other consultants to provide quality review and to ensure that our contractors and suppliers abide by the standards required by us.

6.8.1 Procurement policy

Our procurement process is efficiently managed to ensure materials or services purchased meet the requirements of our clients and the specifications of the established contracts.

Contracts awarded to contractors are approved by our Management Tender Committee after reviewing the financial and technical abilities of the shortlisted contractors.

With active management of our supplier base, supported by our e-procurement and e-bid system, we are able to obtain materials or services from reliable sources in terms of quality, pricing and timeliness of delivery.

6.8.2 Quality management

We have adopted the Total Quality Management System ("TQMS"). With constant focus on total customer satisfaction, solutions are continually developed to meet our clients' expectations.

The TQMS model is based on the 5 pillars of total quality management:

(a) Customer focus

We strive to continuously and proactively improve our processes in order to meet the requirements of our customers. While we keep track of current market trends, we also take into consideration the feedback from our employees as well as our customers and seek opportunities for continuous improvement.

(b) Total involvement

The responsibility of our staff has been clearly defined. Everyone is responsible for the quality of their output. Extensive time has been spent in cultivating the quality concept throughout the organisation through poster campaigns, education, training and workshops at all levels.

(c) Systematic support

We continuously plan and review all infrastructures to support our quality assurance efforts which include annual business plans, ISO standard operating manual, work instruction and knowledge portal.

(d) Measurement

We measure our organisation and individual performance against performance benchmarks set by our Management from time to time, which is being assessed continuously.

6. BUSINESS OVERVIEW (cont'd)

(e) Continuous improvement

We strive to continuously improve on ways to prevent problems, make improvements and serve our customers better.

6.8.3 Awards, certifications and accreditations

Our notable awards, certifications and accreditations from 2007 up to the LPD are set out below.

Authority / Certification body / Awarding body	Company/Development	Issuance year / Validity period	Type of certification
Asia Pacific Property Awards 2011 in association with Bloomberg Television	Sunway Vivaldi (development by Sunway D'Mont Kiara Sdn Bhd)	2011	Five-Star Award for the 2011 Condominium Category
The Edge Malaysia	SunCity	2011	The Edge Billion Ringgit Club 2011 – Most Profitable Company with the Highest Return on Equity over Three Years, in the Property and REIT Sectors
BCI Asia	SunCity	2011	BCI Asia Awards 2011 – Top 10 Property Developers Awards
Association of Accredited Advertising Agencies Malaysia (4As)	SunCity	2011	Putra Brand Award 2011 – Property Development Category – Bronze
Singapore Institute of Materials Management (SIMM) – ARIBA	SunCity Group and SunH Group	2011	SIMM-ARIBA Procurement Excellence Awards, Procurement Excellence Award – Company of the Year 2011
MITI	Sunway Construction Sdn Bhd	2011	Export Excellence Award (Services) – 20th Industry Excellence Awards
Asia Pacific Property Awards 2011 in association with Bloomberg Television	Sunway Rydgeway (development by Sunway Rydgeway Sdn Bhd)	2011	Highly-Commended Award for 2011 Development (Multiple Units) category
Building and Construction Authority (BCA) of Singapore	Sunway Rymba Hills (development by Sunway Damansara Sdn Bhd)	2011	BCA Green Mark Gold Awards (Provisional)

6. BUSINESS OVERVIEW (cont'd)

<u>Authority / Certification body / Awarding body</u>	<u>Company/Development</u>	<u>Issuance year / Validity period</u>	<u>Type of certification</u>
Building and Construction Authority (BCA) of Singapore	Sunway Velocity Phase 1A (development by SunCity)	2010	BCA Green Mark Certified Awards (Provisional)
Building and Construction Authority (BCA) of Singapore	Sunway SPK 3 Harmoni (development by Sunway SPK Homes Sdn Bhd)	2010	BCA Green Mark Gold Awards (Provisional)
Building and Construction Authority (BCA) of Singapore	Nautica Lake Suites (development by Sunway South Quay Sdn Bhd)	2010	BCA Green Mark Certified Awards (Provisional)
Pertubuhan Akitek Malaysia(PAM) and Association of Consulting Engineers Malaysia (ACEM)	Sunway SPK 3 Harmoni (developed by Sunway SPK Homes Sdn Bhd)	2010	Green Building Index Certification (Provisional)
- Fukuoka Asian Urban Research Center - United-Nation Habitat for Asia and The Pacific - Asia Townscape and Design Society and China Real Estate Association	Sunway Opal (developed by Sunway Damansara Sdn Bhd)	2010	2010 Green Asian Townscape Award
World Association of Chinese Architects (WACA), China	Sunway Opal (developed by Sunway Damansara Sdn Bhd)	2010	2010 Design Grand Award of Chinese Residential Projects
International Real Estate Federation (FIABCI) Malaysia	Sunway City (Ipoh) Sdn Bhd	2010	FIABCI Malaysia Property Award-Master Plan Award
The Edge Malaysia	SunCity	Each year from 2003 to 2010	The Edge Top Property Developers Awards
Association of Accredited Advertising Agencies Malaysia (4As)	SunCity	2010	Putra Brand Awards Silver Award in the Property Development Category
Building and Construction Authority (BCA) of Singapore	Sunway Vivaldi (development by Sunway D'Mont Kiara Sdn Bhd)	2010	BCA Green Mark Certified Awards (Provisional) – High-rise Residential Development
Malaysian Institute of Human Resource Management (MIHRM)	SunCity	2010	HR Achievement Silver Award 2010

6. BUSINESS OVERVIEW (cont'd)

Authority / Certification body / Awarding body	Company/Development	Issuance year / Validity period	Type of certification
Ministry of Tourism Malaysia	Lost World of Tambun (owned by Sunway Lagoon Water Park Sdn Bhd)	2010	Malaysia Tourism Award 2008/2009 – Innovative Tourist Attraction (Natural Attraction/Eco Tourism)
Malaysia Business Council (UAE) & Matrade	Sunway Construction Sdn Bhd	2010	Malaysia Business Awards 2010 - Most Promising Contractor in Middle East
The Malaysian Construction Industry Excellence Awards (MCIEA) 2010	Sunway Construction Sdn Bhd	2010	Special Mention Award – International Achievement category
AXN Channel and International Association of Amusement Parks & Attractions	Sunway Lagoon Sdn Bhd	Each year from 2007 to 2010	Asia's Best Attraction Awards – Medium Attraction Category
Minority Shareholder Watchdog Group (MSWG)	SunCity	2010	Malaysian Corporate Governance (MCG) Index 2010 - Industry Excellence Award
RAM Holdings	SunCity	2010	RAM Heritage Hall Award 2010-Inspiration Award
Islamic Finance Asia magazine	SunCity	2010	Top 10 Islamic Groundbreaker Deals 2009
GTI Media	Sunway Group	2009 and 2010	Malaysia's 100 Leading Graduate Employers
Construction Industry Development Broad of Malaysia	Sunway Challis Damansara (developed by Sunway Damansara Sdn Bhd)	2009	QLASSIC Silver Achievement under the Stratified Housing Building Category
Consumer News and Business Channel (CNBC) Television	Sunway Palazzio (development by SunCity)	2009	CNBC's Asia Pacific Residential Property Awards – Best High-Rise Residential Development in Malaysia
Building and Construction Authority (BCA) of Singapore	Sunway Challis Damansara (developed by Sunway Damansara Sdn Bhd)	2009	BCA Green Mark Certified Awards – Landed Residential Development

6. BUSINESS OVERVIEW (cont'd)

Authority / Certification body / Awarding body	Company/Development	Issuance year / Validity period	Type of certification
Building and Construction Authority (BCA) of Singapore	Sunway Palazzio (development by SunCity)	2009	BCA Green Mark Gold Awards (Provisional)–High-Rise Residential Development
Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA)	SunCity	Each year from 2007 to 2010	National Annual Corporate Report Award (NACRA) - Industry Excellence Award in the Properties, Hotels and Trusts category (2007-2010) Silver Award in Best Annual Report for Bahasa Malaysia (2009)
	SunH	2008 to 2009	National Annual Corporate Awards (NACRA) - Certificate of Merit (for Annual Report 2008) - Industry Excellence Award in Construction category (for Annual Report 2009)
Association of Accredited Advertising Agencies Malaysia and sanctioned by Interbrand	SunCity	Each year from 2007 to 2009	Malaysia's Most Valuable Brands (2009) Sunway Group (2008-2009)
LIBUR Magazine supported by the Ministry of Tourism Malaysia	Sunway Lagoon Sdn Bhd	2008 to 2009	LIBUR Travel Awards – Best Theme Park Attraction Award
Asia Pacific Brands Foundation	Sunway Group	2008 to 2009	The BrandLaureate Conglomerate Awards
DP Information Group	Sunway Concrete Products (S) Pte Ltd	2009	23rd Annual Singapore 1000
The Editorial Office & Trade Leaders Club, Spain	Sunway Engineering Sdn Bhd	2009	21st International Construction Award (New Millennium Award)
SME Corporation	Sunway Creative Stones Sdn Bhd	2009	SME Enterprise 50 Award

6. BUSINESS OVERVIEW (cont'd)

<u>Authority / Certification body / Awarding body</u>	<u>Company/Development</u>	<u>Issuance year / Validity period</u>	<u>Type of certification</u>
The Malaysian Construction Industry Excellence Awards (MCIEA) 2009	Sunway Construction Sdn Bhd	2009	Contractor Award – Grade G7
Malaysian Institute of Accountants (MIA) & The Chartered Institute of Management Accountants (CIMA)	Sunway Construction Sdn Bhd	2009	National Award for Management Accounting (NAfMA) – Certificate of Merit
- Bureau Veritas Certification - SIRIM QAS International Sdn Bhd - IQNet	Sunway Construction Sdn Bhd	2009	ISO 9001: 2008 (originally certified to MS ISO 9002 in 1997)
- SIRIM QAS International Sdn Bhd - IQNet	Sunway Construction Sdn Bhd	2009	OHSAS 18001: 2007 (originally certified to OHSAS 18001 in 2001)
- SIRIM QAS International Sdn Bhd - IQNet	Sunway Construction Sdn Bhd	2009	ISO 14001: 2004
6th Malaysian Occupational Safety & Health Professional's Association (MOSHPA) OSH Excellence Award 2010	Sunway Geotechnics (M) Sdn Bhd	2009/2010	Best Occupational Safety & Health in Piling & Geotechnics
Malaysian Society for Occupational Safety & Health (MSOSH)	Sunway Construction Sdn Bhd	2009	MSOSH OSH Award
Bureau Veritas Certification	Sunway Builders Sdn Bhd Sunway Innopave Sdn Bhd	2009	ISO 9001: 2008
The Malaysian Construction Industry Excellence Awards (MCIEA) 2008	Sunway Construction Sdn Bhd	2008	Special Award – Information & Communication Technology (ICT) category
Lloyd's Register Quality Assurance	Sunway Engineering Sdn Bhd	2008	ISO 9001: 2008
The Technology Business Review	SunCity	2007	Excellence Awards under the Property Development for Integrated Development Category

6. BUSINESS OVERVIEW (cont'd)

Authority / Certification body / Awarding body	Company/Development	Issuance year / Validity period	Type of certification
Perak State Tourism	Lost World of Tambun (owned by Sunway Lagoon Water Park Sdn Bhd)	2007	Perak Tourism Appreciation Awards 2007 -Exciting Tourist Attraction' award 2007
Selangor State Investment Centre Berhad	Sunway Medical Centre Berhad	2007	"Anugerah Industri Selangor 2007" Quality Management Excellence Award
Hewitt Associates with Fortune and RBL Group	SunCity Group and SunH Group	2007	Top 10 Companies for Leaders 2007- Asia Pacific
Certification Body of TÜV SÜD PSB Pte Ltd	Sunway Concrete Products (S) Pte Ltd	2007	ISO 9001: 2000

The major licences and permits under the possession of our Group are as follows:

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
1	Housing development licence to Sunway City Berhad for the development of 881 units of service apartments at Sunway Velocity 4105-9/12-2015/1470	Ministry of Housing and Local Government	28.12.2010 – 27.12.2015	No condition is attached	Not applicable
2	Advertisement and sale permit licence to Sunway City Berhad for the development of 264 units of service apartments at Sunway Velocity 4105-9/1073/2012(05)	Ministry of Housing and Local Government	20.05.2011 – 19.05.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied
3	Housing development licence to Sunway Damansara Sdn Bhd for the development of 80 units of 3-storey bungalows at Sunway Rymba Hills 6909-21/03-2015/292	Ministry of Housing and Local Government	19.03.2010 – 18.03.2015	No condition is attached	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
4	Advertisement and sale permit licence to Sunway Damansara Sdn Bhd for the development of 31 units of 3-storey bungalows at Sunway Rymba Hills 6909-21/732/2012(04)	Ministry of Housing and Local Government	15.04.2011 – 14.04.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied
5	Housing development licence to Sunway City Berhad for the development of 107 units of 2-storey terrace houses at Sunway Alam Suria (Ph1biii) 4105-6/08-2012/601	Ministry of Housing and Local Government	24.08.2009 – 23.08.2012	No condition is attached	Not applicable
6	Advertisement and sale permit to Sunway City Berhad for the development of 13 units of 2-storey terrace houses at Sunway Alam Suria (Ph1biii) 4105-6/961/2012(05)	Ministry of Housing and Local Government	27.05.2011– 26.05.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied
7	Housing development licence to Sunway City Berhad for the development of 145 units of 2.5-storey terrace houses at Sunway Alam Suria (Ph1C) 4105-10/04-2014/449	Ministry of Housing and Local Government	12.04.2011 – 11.04.2014	No condition is attached	Not applicable
8	Advertisement and sale permit to Sunway City Berhad for the development of 145 units of 2.5-storey terrace houses at Sunway Alam Suria (Ph1C) 4105-10/1072/2012(05)	Ministry of Housing and Local Government	20.05.2011 – 19.05.2012	Approved advertisement: brochure, newspaper and signboard	Complied
9	Advertisement and sale permit to Sunway SPK Homes Sdn Bhd for the development Phase 5B Sunway SPK Damansara 9317-5/405/2010(10)	Ministry of Housing and Local Government	22.01.2010 – 21.01.2015	Approved advertisement: brochure, newspaper and signboard	Complied
10	Housing development licence to Sunway SPK Homes Sdn Bhd for the development of 3 Harmoni at Sunway SPK Damansara 9317-6/01-2015/81	Ministry of Housing and Local Government	22.01.2010 – 21.01.2015	No condition is attached	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
11	Advertisement and sale permit to Sunway SPK Homes Sdn Bhd for the development of 3 Harmoni at Sunway SPK Damansara 9317-6/2372/2012(01)	Ministry of Housing and Local Government	27.01.2011 – 26.01.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied
12	Housing development licence to Sunway City Berhad for the development of 100 units of 2-storey Cluster Homes at Sunway Alam Suria (Ph2B) 4105-8/12-2012/1309	Ministry of Housing and Local Government	22.12.2009 – 21.12.2012	No condition is attached	Not applicable
13	Advertisement and sale permit to Sunway City Berhad for the development of 25 units of 2-storey Cluster Homes at Sunway Alam Suria (Ph2B) 4105-8/35/2012(01)	Ministry of Housing and Local Government	13.01.2011 – 12.01.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied
14	Housing development licence to Sunway City Berhad for the development of 160 units of condominiums/luxury apartments (Palazzio) 4105-7/09-2011/950	Ministry of Housing and Local Government	28.09.2006 – 27.09.2011	No condition is attached	Not applicable
15	Advertisement and sale permit to Sunway City Berhad for the development of 23 units of condominiums/luxury apartments at Lot 48629 (Palazzio) 4105-7/36/2011(09)	Ministry of Housing and Local Government	11.01.2011 – 27.09.2011	Approved advertisement: brochure, newspaper, signboard and others	Complied
16	Housing development licence to Sunway D'Mont Kiara Sdn Bhd for the development of 234 units of condominiums/luxury apartments (Vivaldi) 8965-4/09-2012/1056	Ministry of Housing and Local Government	18.09.2007 – 17.09.2012	No condition is attached	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
17	Advertisement and sale permit to Sunway D'Mont Kiara Sdn Bhd for the development of 172 units of condominiums/ luxury apartment (Vivaldi) 8965-4/2317/2011(11)	Ministry of Housing and Local Government	26.11.2010 – 25.11.2011	Approved advertisement: brochure, newspaper, signboard, internet and compact disc	Complied
18	Advertisement and sale permit to Sunway D'Mont Kiara Sdn Bhd for the development of 234 units of condominiums/luxury apartments (Vivaldi) 8965-4/2317/2011(11)	Ministry of Housing and Local Government	26.11.2010 – 25.11.2011	Approved advertisement: brochure, newspaper, signboard, internet and compact disc	Complied
19	Housing development licence to Sunway South Quay Sdn Bhd for the development of 77 units of bungalows (Bayrocks) 10363-1/05-2012/621	Ministry of Housing and Local Government	01.06.2007 – 31.05.2012	No condition is attached	Not applicable
20	Housing development licence to Sunway South Quay Sdn Bhd for the development of Leaders' Country at Sunway South Quay (Nautica) 10363-2/11-2012/1266	Ministry of Housing and Local Government	07.11.2007 – 06.11.2012	No condition is attached	Not applicable
21	Housing development licence to Sunway South Quay Sdn Bhd for the development of 242 units of condominiums/luxury apartments (A'marine) 10363-3/08-2013/849	Ministry of Housing and Local Government	06.08.2008 – 05.08.2013	No condition is attached	Not applicable
22	Advertisement and sale permit to Sunway South Quay Sdn Bhd for the development of 242 units of condominiums/luxury apartments (A'marine) 10363-3/2408/2012(01)	Ministry of Housing and Local Government	11.01.2011 – 10.01.2012	Approved advertisement: brochure, newspaper and signboard	Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
23	Housing development licence to Sunway South Quay Sdn Bhd for the development of 377 units of condominiums/luxury apartments (Lacosta) 10363-4/11-2015/1272	Ministry of Housing and Local Government	09.11.2010 – 08.11.2015	No condition is attached	Not applicable
24	Advertisement and sale permit to Sunway South Quay Sdn Bhd for the development of 377 units of condominiums/luxury apartments (Lacosta) 10363-4/2274/2011(11)	Ministry of Housing and Local Government	22.11.2010 – 21.11.2011	Approved advertisement: brochure, newspaper and signboard	Complied
25	Housing development licence to Sunway Grand Sdn Bhd for the development of 49 units of 3-storey terrace houses at Sunway Merica 9891-3/11-2012-1191	Ministry of Housing and Local Government	24.01.2009 – 23.11.2012	No condition is attached	Not applicable
26	Housing development licence to Sunway Grand Sdn Bhd for the development of 44 units of 2-storey terrace houses at Sunway Aspera 9891-4/12-2012/1226	Ministry of Housing and Local Government	03.12.2009 – 02.12.2012	No condition is attached	Not applicable
27	Housing development licence to Sunway Grand Sdn Bhd for the development of 9 units of 3-storey and 32 units of 2-storey terrace houses at Sunway Aspera 9891-5/12-2012/1312	Ministry of Housing and Local Government	22.12.2009 – 21.12.2012	No condition is attached	Not applicable
28	Housing development licence to Sunway Grand Sdn Bhd for the development of Lot 168333, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang at Sunway Merica 9891-6/04-2013/468	Ministry of Housing and Local Government	28.04.2010 – 27.04.2013	No condition is attached	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
29	Housing development licence to Sunway Grand Sdn Bhd for the development of 33 units of 3-storey terrace houses at Sunway Cassia 9891-7/03-2014/336	Ministry of Housing and Local Government	21.03.2011 – 20.03.2014	No condition is attached	Not applicable
30	Housing development licence to Sunway City (Ipoh) Sdn Bhd for the development of 16 units Lakeside Bungalows 7624-17/01-2013/32	Ministry of Housing and Local Government	12.01.2010 – 11.01.2013	No condition is attached	Not applicable
31	Housing development licence to Sunway City (Ipoh) Sdn Bhd for the development of 220 units of condominiums/luxury apartments 7624-18/02-2015/185	Ministry of Housing and Local Government	24.02.2010 – 23.02.2015	No condition is attached	Not applicable
32	Housing development licence to Sunway City (Ipoh) Sdn Bhd for the development of 5 units of 2-storey bungalows and 30 units of 2-storey terrace house at Sunway City Ipoh 7624-12/01-2012/454	Ministry of Housing and Local Government	07.01.2009 – 06.01.2012	No condition is attached	Not applicable
33	Housing development licence to Sunway City (Ipoh) Sdn Bhd for the development of Garden Villa 7624-9/06-2012/518	Ministry of Housing and Local Government	06.06.2009 – 05.06.2012	No condition is attached	Not applicable
34	Advertisement and sale permit to the development of 28 units of 3-storey terrace houses at Sunway Merica 9891-3/319/2012(12)	Ministry of Housing and Local Government	17.02.2011 – 16.02.2012	Approved advertisement: brochure, newspaper and signboard	Complied
35	Advertisement and sale permit to the development of 44 units of 2-storey terrace houses at Sunway Aspera 9891-4/107/2012(01)	Ministry of Housing and Local Government	17.01.2011 – 16.01.2012	Approved advertisement: brochure, newspaper, signboard and others	Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
36	Advertisement and sale permit to Sunway Grand Sdn Bhd for the development of 9 units of 3-storey and 32 units of 2-storey terrace houses at Sunway Aspera 9891-5/106/2012(01)	Ministry of Housing and Local Government	17.01.2011 – 16.01.2012	Approved advertisement: brochure, newspaper and signboard	Complied
37	Advertisement and sale permit to Sunway Grand Sdn Bhd for the development of 16 units of 3-storey terrace houses and 12 units of 3-storey semi-detached houses at Sunway Merica 9891-6/1142/2012(05)	Ministry of Housing and Local Government	30.05.2011 – 29.05.2012	Approved advertisement: brochure, newspaper and signboard	Not applicable
38	Advertisement and sale permit to Sunway Grand Sdn Bhd for the development of 33 units of 3-storey terrace houses at Sunway Cassia 9891-7/649/2012(03)	Ministry of Housing and Local Government	01.04.2011 – 31.03.2012	Approved advertisement: brochure, newspaper and signboard	Complied
39	Advertisement and sale permit to Sunway City (Ipoh) Sdn Bhd for the development of 170 units of condominiums/luxury apartments 7624-18/701/2012(04)	Ministry of Housing and Local Government	13.04.2011 – 12.04.2012	Approved advertisement: brochure, newspaper, and signboard	Complied
40	Advertisement and sale permit to Sunway City (Ipoh) Sdn Bhd for the development of 3 units of 2-storey bungalows and 30 units of 2-storey terrace house at Sunway City Ipoh 7624-12/1094/2012(01)	Ministry of Housing and Local Government	25.05.2011 – 06.01.2012	Approved advertisement: brochure, newspaper, and signboard	Complied
41	Advertisement and sale permit to Sunway City (Ipoh) Sdn Bhd for the development of 1 unit of double storey terrace house and 1 unit of 2 storey luxurious bungalow 7624-9/1093/2012(06)	Ministry of Housing and Local Government	09.06.2011 – 08.06.2012	Approved advertisement: brochure, newspaper, and signboard	Complied

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
42	Sunway Builders Sdn. Bhd. registered as contractor under Grade G7 (no limit) specialising in general building works, general civil engineering works and road and bridge construction 1970122-SL021617	Construction Industry Development Board Malaysia	03.06.2010 – 02.06.2011 (being renewed, pending issuance of new licence certificate)	Not applicable	Not applicable
43	Sunway Innopave Sdn. Bhd. registered as contractor under Grade 3 (not exceeding RM1,000,000) specialising in general civil engineering works and general building works 0120020508-WP070915	Construction Industry Development Board Malaysia	06.08.2010 – 05.08.2011	Not applicable	Not applicable
44	Sunway Construction Sdn. Bhd. registered as an International Contractor under Grade G7 (no limit) specialising in general civil engineering works, road, bridge and reservoir construction, marine structure, piling and sewerage works, and general building works, building and plant construction works and piling works 1960319-WP000698	Construction Industry Development Board Malaysia	17.06.2010 – 18.01.2013	Not applicable	Not applicable
45	Sunway Geotechnics (M) Sdn. Bhd. registered as an International Contractor under Grade G7 (no limit) specialising in piling works 0120031208-SL090948	Construction Industry Development Board Malaysia	08.10.2010 – 25.01.2013	Not applicable	Not applicable
46	Sunway Paving Solutions Sdn. Bhd. registered as Contractor under Grade G7 (no limit) specialising in general building works, road, piling and general civil engineering works 1961001-SL007172	Construction Industry Development Board Malaysia	14.07.2011 – 13.07.2012	Not applicable	Not applicable

6. BUSINESS OVERVIEW (cont'd)

No.	Type of licence/ licence no.	Authority	Effective date/ Date of expiry	Major conditions	Compliance status
47	Sunway Engineering Sdn. Bhd. registered as an International Contractor under Grade 7 (no limit) specialising in general building works, general civil engineering works and; mechanical and electronic works 1970416-SL028884	Construction Industry Development Board Malaysia	28.10.2010 – 26.10.2012	Not applicable	Not applicable
48	Water sewerage permit issued to Sunway Construction Sdn. Bhd. in which works may be carried out in Peninsular Malaysia, Wilayah Persekutuan and Putrajaya; and Labuan SPAN/EKS/(PT)/ 800-2C/1/07/388	National Water Services Commission	31.12.2010 – 30.12.2011	Not applicable	Not applicable
49	Tendering of works by Sunway Construction Sdn. Bhd. with the value of RM50 million and above referring to the Treasury Circular No. 5.2007 1008 A 95 0135	Ministry of Works Malaysia	17.05.2011 – 16.05.2013	Not applicable	Not applicable
50	Housing development licence issued to Sunway Greenview Sdn. Bhd. to develop pieces of lands held under Lot No. 1217, 1218, 1225, 1226, 1227 in Ulu Kelang, Gombak, Selangor to build 40 units of 3 storey house (gated) and 30 units of 2 storey house (gated). The said development is known as Taman Melawati (Project) 10906-1/02-2014/165	Ministry of Housing & Local Government	23.02.2009 – 22.02.2014	Not applicable	Not applicable
51	Certificate of registration of contractor issued to Sunway Construction Sdn. Bhd. in the field of supply/service under the following heads/sub-heads: 130100, 140100, 150100, 160200, 160302, 180100, 180300, 200100 & 200200 357-02139310	Ministry of Finance	15.09.2009 – 14.09.2012	Not applicable	Not applicable

6. BUSINESS OVERVIEW *(cont'd)*

6.9 Health, safety and environmental policy

6.9.1 Health and safety

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

To the extent of promoting a safe and healthy working environment, our construction business has received recognition from OHSAS 18001 for Occupational Health & Safety Management System.

Our quality environment safety and health policy includes the following objectives:

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

6.9.2 Environment

We place great importance on environment conservation by actively managing our resources in a responsible manner while consistently developing and implementing environmentally-friendly business practices. This is premised on the need to strike a balance between our business objectives and the environment. In line with our vision of building livable townships, we emphasise the importance of preserving the environment through new and innovative measures.

(i) Property

As one of the first-movers in developing green property development projects, we have incorporated various principles of sustainability in our earlier developments in Bandar Sunway, such as aligning our units in a north-south orientation to reduce heat and using high-quality cavity walls to provide better insulation.

We also incorporate numerous green initiatives for greater energy and water efficiency in our recent projects such as Sunway Palazzo (Gold-Provisional), Sunway Challis Damansara, Sunway Vivaldi, Sunway SPK 3 Harmoni and Nautica at Sunway South Quay. Sunway Challis Damansara was awarded Singapore's BCA Green Mark which evaluates buildings for their environmental impact and performance, while the others have received provisional certifications under Singapore's BCA Green Mark.

Currently, our projects are designed to adopt various requirements of Singapore's BCA Green Mark and the GBI. Key criteria evaluated include energy efficiency, water efficiency, environmental protection, indoor environment quality and other green features.

We have obtained the ISO 14001:2004 Environmental Management System certification from SIRIM QAS International. The certification demonstrates our commitment in protecting the environment through the establishment of an environmental policy, setting of objectives and the implementation of programs to eliminate or reduce the impact to the environment.

6. BUSINESS OVERVIEW (cont'd)

Our efforts to protect the environment are not limited to the 'hard' physical buildings. We also place importance on the 'soft' approach by organising events and educating the communities living within our developments to appreciate the environment. We also donated 200 trees (*Eugenia oleana*) as well as 1,800 square meters of carpet grass to beautify the landscape in Sunway SPK Damansara. In addition, we organised talks on organic compost and demonstration of recycling practices to promote the awareness of safeguarding the environment.

(ii) Construction

We have documented an environmental management system which provides foundation elements for effective management and implementation of environmental practices and is accredited with ISO 14001 Environmental Management System, an internationally recognised standard for the establishment of an organisation's environmental management system.

We have BCA Green Mark Managers and LEED-accredited professionals as part of our team.

6.10 Business location and summary of landed properties

Please refer to Appendix I for further details of the business location and summary of landed properties of our Group. Please also refer to Section 8 of the Prospectus for respective valuation certificates (where valuations have been carried out in accordance with the SC's Asset Valuation Guidelines).

6.11 Dependency on any contract and arrangements

We are not highly dependent on any contracts and arrangements, which are material to our Group's business or profitability.

6.12 Sales and marketing plans

Our sales and marketing plans include the following:

6.12.1 Property

Locally

We focus on solidifying our reputation in the marketplace by offering quality and innovative properties. We emphasise on the LOHAS philosophy in our projects to enhance the quality of life for our customers. This philosophy is anchored by 5 pillars, namely health and fitness, environment, sustainable living, personal development and social justice.

We have multiple product offerings to various categories of customers at multiple strategic locations. We implement comprehensive marketing and advertising campaigns including pre-launch awareness campaigns and innovative promotions.

6. BUSINESS OVERVIEW (cont'd)

Overseas

With our established reputation as one of the leading developers in Malaysia, we are expanding our business overseas by having strategic partnerships with local parties. Our proposed development, with LOHAS philosophy, targets the middle to higher end market. We will also build strategic relationships with the local media in order to achieve wider coverage.

6.12.2 Construction

Locally

The Government of Malaysia has announced a profusion of projects in the recent ETP with 113 EPPs to stimulate and kick-start the ETP. We view the EPPs as an opportunity for us to secure future projects.

At the same time, we are also exploring the implementation of the IBS in the construction of government buildings. This would reduce our country's dependency on foreign labour and is in line with the government's aspiration in the ETP to become a high-income, inclusive and sustainable nation.

On the private sector, we have a two-pronged approach. Firstly, we plan to maintain our good relationship with our existing clients who have been very satisfied with our deliveries. Secondly, building on our core strengths, we will continue to pursue opportunities locally, such as the construction of high-rise buildings and civil engineering infrastructure.

Overseas

(i) Middle East and North Africa ("MENA")

We have 2 ongoing projects in Abu Dhabi representing about 15% of our order book as at 30 June 2011. With our presence in Abu Dhabi, we will seek further inroads into the MENA market and tap on our strategic partnerships to capitalise on further growth to strengthen our foothold in that region.

(ii) Singapore

We specialise in precast concrete building components and supply concrete products to public housing in Singapore. The Singapore precast market is expected to grow in line with the Government of Singapore's effort to ramp up the supply of HDB flats and its efforts to boost productivity. We will strive to tender for more precast concrete delivery contracts.

6.13 Major suppliers

We are not dependent on any single supplier which contributes to 10% or more of our purchases, during the past 3 financial years/period under review.

6.14 Major customers

We are not dependent on any single individual customer which contributes to 10% or more of our revenue, during the past 3 financial years/period under review.

6. BUSINESS OVERVIEW (cont'd)

6.15 Seasonality

Generally, we are not affected by seasonal demand conditions except for our hospitality and leisure businesses which are subject to seasonal demand conditions such as school holidays and summer holidays both locally and internationally.

6.16 Interruption in business in the past 12 months

We have not experienced any major business interruptions which had a significant effect on our operations during the past 12 months.

(The rest of this page has been left blank intentionally)

7. INDUSTRY OVERVIEW

(Prepared for inclusion in this Prospectus)

infobusiness

02 AUG 2011

The Board of Directors
Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd)
Level 16, Menara Sunway
Jalan Lagoon Timur
Bandar Sunway
46150 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs / Madams,

EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (“EXECUTIVE SUMMARY”) FOR SUNWAY BERHAD (FORMERLY KNOWN AS ALPHA SUNRISE SDN BHD) (“SUNWAY” OR THE “COMPANY”)

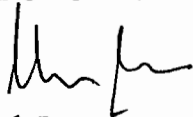
This Executive Summary has been prepared for inclusion in the Prospectus pursuant to the listing of Sunway on the Main Market of Bursa Malaysia Securities Berhad.

This research is undertaken with the purpose of providing an overview of The Construction Industry and Property Market in Malaysia. The research methodology includes both primary research, involving in-depth interviews with pertinent companies, as well as secondary research such as reviewing press articles, periodicals, government literatures, in-house databases, Internet research and online databases.

Infobusiness Research & Consulting Sdn Bhd (“Infobusiness”) has prepared this Executive Summary in an independent and objective manner and has taken all reasonable consideration and care to ensure the accuracy and completeness of the Executive Summary. In addition, Infobusiness acknowledges that if there are significant changes affecting the contents of the Executive Summary after the issue of the Prospectus and before the issue of securities, then Infobusiness has an on-going obligation to either cause the Executive Summary to be updated for the changes and, where applicable, cause the Company to issue a Supplementary Prospectus, or withdraw our consent to the inclusion of the Executive Summary in the Prospectus.

The Executive Summary is highlighted in the following sections.

for and on behalf of
INFOBUSINESS RESEARCH & CONSULTING SDN BHD



Mark Lee
Director

infobusiness

EXECUTIVE SUMMARY

1.1 THE GLOBAL ECONOMY

In 2010, the global economic recovery continued, albeit at an uneven pace, after exiting from the sharpest post-war economic contraction in the second half of 2009. The recovery accelerated in the first half of the year due to inventory restocking, continued policy support as well as the low base effect, but the momentum tapered off in the second half as these temporary factors waned.

To some extent, growth prospects in the advanced economies in 2011 will be supported by recent policy stimulus in the US and Japan, underscoring the governments' concerns that growth in private sector demand may not be sufficiently strong to sustain economic activity. An emerging feature of the global economy in the post-crisis period is that global growth is increasingly dependent on the emerging economies. While the emerging economies account for about a third of global gross domestic product ("GDP"), they have contributed more than two-thirds of global growth in recent years, highlighting the growing importance of emerging economies as the new growth centres. However, changing growth dynamics have brought about new challenges to the emerging economies, following the shift in global short-term capital flows from the advanced economies to the emerging market economies.

In the United States ("US"), the prospects are for a continued expansion in economic activity, underpinned by a new round of fiscal policy stimulus, easy monetary conditions, and a gradual revival in private consumption. In addition to the anticipated positive impact of these measures on private sector demand, the underlying private consumption is also expected to be supported by a gradual improvement in the job market, rising personal incomes, longer working hours and the higher equity prices that will contribute towards increasing the net worth of households.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

The prospects of a gradual growth in the advanced economies coupled with a more moderate demand from the emerging economies are expected to slow the pace of expansion in global trade in 2011. Of significance, global trade will continue to be increasingly driven by the emerging economies, particularly Asia. Intra-regional trade in Asia would remain strong, benefiting from the robust domestic demand in the region.

Table 1: Global Real GDP Growth, 2002-2011^f

Growth (%)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^f
World GDP	3.1	4.0	5.3	4.8	4.9	5.2	3.0	-0.6	5.0	4.4
US	1.6	2.5	3.9	3.1	2.9	2.0	0.4	-2.6	2.8	3.0
Japan	0.3	1.4	2.7	1.9	2.2	2.4	-1.2	-6.3	3.9	1.6
Euro area [*]	0.9	0.8	2.0	1.5	2.8	2.4	0.6	-4.1	1.7	1.5

Notes:

* = Indicates member countries of the Euro area (Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, Spain)

e = estimate

f = forecast

Source: Bank Negara Malaysia, Ministry of Finance

1.2 THE MALAYSIAN ECONOMY

Following the strong performance in 2010, the Malaysian economy is projected to grow at between 5% and 6% in 2011, supported mainly by continued expansion in domestic demand. Whilst external demand is expected to moderate in 2011, the growth contribution of net exports would turn around to be positive amid a larger trade surplus on sustained commodity exports to the Asian region.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Domestic demand is expected to maintain a strong growth momentum, driven mainly by a robust expansion in private sector activity. Private consumption will be supported by favourable labour market conditions, higher disposable incomes and sustained consumer confidence. Private investment is expected to remain strong and contribute favourably to growth. This will be supported by capital spending of the domestic-oriented industries given the high levels of capacity utilisation and positive business confidence, as well as the implementation of key initiatives announced by the government under the Economic Transformation Programme (“ETP”). Meanwhile, the public sector will remain supportive of growth, with higher capital spending projected in the second half of 2011. This is attributable mainly to the implementation of new projects and the acceleration of ongoing projects to promote private sector activity.

Table 2: Annual Change in Real GDP by Sector, 2002-2011^f (2000 prices)

Growth (%)	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^e	2011 ^f
GDP	5.4	5.8	6.8	5.0	5.8	6.2	4.7	-1.7	7.2	5.0-6.0
Agriculture	2.9	6.0	4.7	2.6	5.4	1.4	4.3	0.4	1.7	3.4
Manufacturing	4.1	9.2	9.6	5.3	7.1	3.1	1.3	-9.4	11.4	5.7
Mining	4.4	6.1	4.1	-1.3	-2.7	2.0	-2.4	-3.8	0.2	2.0
Construction	2.3	1.8	-0.9	-1.8	-0.5	4.7	4.2	5.8	5.2	5.4
Services	5.8	4.2	6.4	6.7	7.3	9.6	7.4	2.6	6.8	5.9

Notes:

e = estimate

f = forecast

Source: Bank Negara Malaysia, Ministry of Finance

infobusiness

1.3 THE CONSTRUCTION SECTOR IN MALAYSIA

Further progress in on-going infrastructure projects and new projects due for implementation under the ETP will provide the impetus for the construction sector. In particular, the civil engineering sub-sector is expected to benefit from the implementation of various projects. Apart from further progress on on-going projects such as the construction of the Second Penang Bridge, double-track rail network, low cost carrier terminal, and oil and gas terminal in Sabah; the civil engineering sub-sector will also be supported by the implementation of new major projects such as the construction of power plants in Terengganu and Sabah as well as the Klang Valley light rail transit ("LRT") extension. The non-residential segments will be driven by the on-going construction of purpose built office and retail space as well as public sector expenditure on the building and upgrading of schools, hospitals and clinics, while the continued growth in housing demand and favourable financing environment will support growth in the residential segment.

1.4 INTRODUCTION

The construction industry plays a crucial role in a country, by supplying structures that house and facilitate nearly all other economic and social activities. It also plays a pivotal role in a country's development process given its position as an indispensable growth factor. However, it is also unique in the sense that its growth rate is closely linked with the economic framework that generates demand for its expansion. The Malaysian construction sector in particular, has always been a prime economic mover and a frequent target for the government's economic stimulus measures. The industry itself has matured over the years, braving through many cycles. From a totally government-dependant industry initially, it has grown into a highly evolved sector of the economy with a global presence.

Property development companies acquire raw land, improved land, and/or re-developable property in order to construct building projects. Once constructed, the buildings are then sold in entirety or in part to others, or retained as assets to produce cash flow via rentals and other means. Some property development companies have their own internal departments for designing and constructing buildings, while others subcontract parts of the work to third parties.

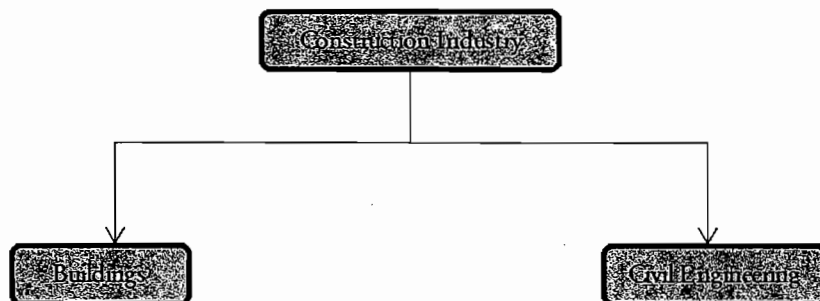
7. INDUSTRY OVERVIEW (cont'd)

infobusiness

1.5 DIFFERING SEGMENTS

In general, the construction industry in Malaysia can be segmented into two (2) segments: buildings and civil engineering. Most large construction companies undertake both buildings and civil engineering works and there is considerable interchange of staff between the two (2) disciplines. The buildings segment of the industry encompasses the construction of residential, commercial, leisure and industrial buildings. Civil engineering is the broadest of all engineering fields. Civil engineering in construction relates to the building of infrastructure which generally comprises government-owned capital goods that provide services to the public, usually with benefits to the community at large as well as to the direct user. Examples include roads, highways, bridges, dams, harbours etc.

Figure 1: Main Segments of Construction Industry

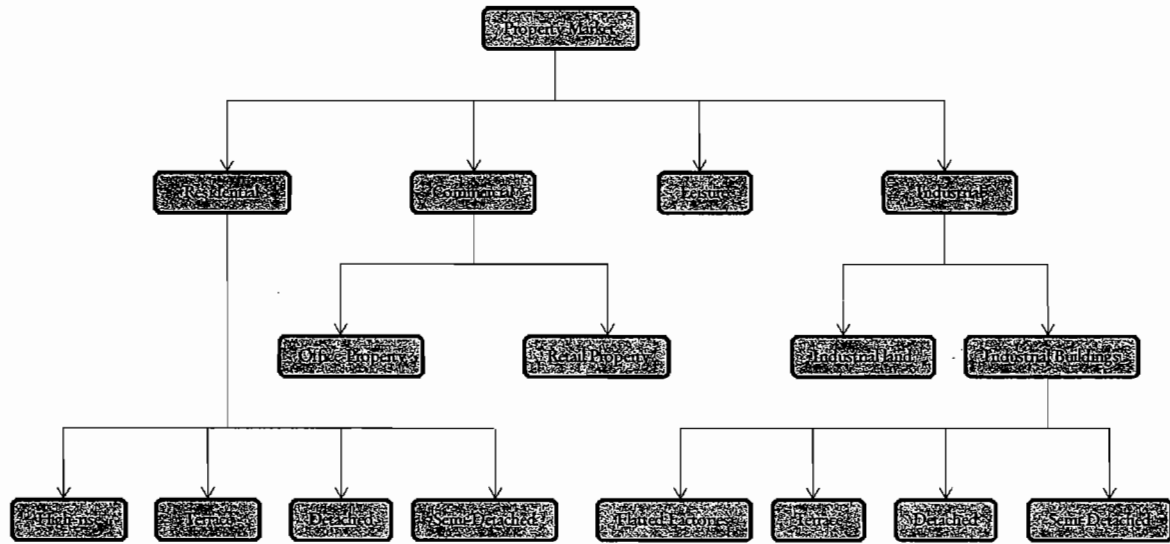


Source: Infobusiness

The property market encompasses many segments, each of which has its own unique characteristics. Furthermore, a number of these properties have their own and regional peculiarities. In other words, each piece of real estate is to a certain extent unique and stands or falls on its own merits. Broadly, the property market can be divided into four (4) categories as shown below.

infobusiness

Figure 2: Main Segments of Property Market



Source: Infobusiness

1.6 SUBSTITUTE PRODUCTS

There are no substitute products to the construction industry at present. Construction activities are needed in virtually all creations of new buildings and infrastructure. They are also essential during the renovation and refurbishment phase. The construction industry not only provides the buildings that host a wide variety of human activities, but also the infrastructure that links them into an increasingly complex network.

infobusiness

Since no two (2) properties are alike, no property is (fully) substitutable for another. Substitutability may range from very low (for example, industrial users have very specific requirements for building size, location, access, layout and relationship to other uses) to moderate (such as residential units in similar adjacent apartment blocks). Hence, the degree of substitutability can fall within a spectrum ranging from very low to moderate, depending on the specific use of the property. The property market is multi-dimensional and is characterised by aspects of the site (such as its use, development potential, tenure, access, slope, aspect, landscaping and susceptibility to flooding), and the building (including its design, materials used and type of finishing) as well as the location which sets the whole pattern of externalities (such as access to amenities like schools, banks, post offices, shopping complexes and jobs).

1.7 INDUSTRY PLAYERS AND COMPETITION

Among the major competitors in the construction industry in Malaysia, Sunway is ranked in the middle, in terms of the PBT margin, based on the latest publicly available financial statements. Factors that contribute to Sunway's achieving this PBT margin include its ability to obtain better margins for its overseas projects as compared to domestic projects, securing quality construction materials on favourable credit terms, the use of system formwork technology that speeds up construction and mechanisation, the ability to negotiate favourable terms with sub-contractors, and managing the costs of building materials, constructions and sub-contractors more efficiently.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Table 3: Comparisons of Major Competitors in the Construction Industry, by PBT Margin

Company	FYE	Revenues (RM Million)	PBT (RM Million)	PBT Margin (%)
Mudajaya Group Bhd	31/12/10	870.4	278.4	31.9
WCT Bhd	31/12/10	1,708.5	257.6	15.1
Gamuda Bhd	31/07/10	2,455.1	370.0	15.1
IJM Corporation Bhd	31/03/10	4,013.5	578.0	14.4
MTD Capital Bhd	31/03/10	892.5	115.1	12.9
Prostaco Bhd	31/12/10	771.1	94.1	12.2
Sunway*	31/12/10	1,094.9	121.3	11.1
Malaysian Resources Corporation Bhd	31/12/10	1,067.6	97.6	9.1
Ranhill Bhd	30/06/10	2,120.7	167.4	7.9
Muhibbah Engineering (M) Bhd	31/12/10	1,768.9	53.3	3.0
Bina Puri Holdings Bhd	31/12/10	1,230.7	14.2	1.2

Notes:

* For Sunway, the revenues and PBT figures are based on its construction division for calendar year 2010.

It should be noted that although the above selected companies are all broadly involved in the construction industry, these selected companies may not be directly comparable to Sunway due to various factors which include, amongst others, the composition of business activities, size of the business, target markets, product offerings, and different FYEs.

Source: Bursa Malaysia Securities Bhd, Management of Sunway

A comparison of the listed peer property development companies reveals that based on the latest publicly available financial statements, Sunway managed to chart the highest PBT margin. This is due to factors such as its ability to negotiate favourable terms with sub-contractors, managing sub-contractor costs efficiently, the launching of properties in prime locations that command better pricings, as well as launching properties at an appropriate time and the corresponding relatively more favourable buyers' responses. It is also able to manage its property investment assets efficiently.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Table 4: Comparisons of Major Competitors in the Property Market, by PBT Margin

Company	FYE	Revenues (RM Million)	PBT (RM Million)	PBT Margin (%)
Sunway*	31/12/10	747.3	306.3	40.9
IGB Corporation Bhd	31/12/10	719.4	227.9	31.7
Sunrise Bhd	30/06/10	590.7	180.9	30.6
YNH Property Bhd	31/12/10	259.7	71.5	27.5
Eastern & Oriental Bhd	31/03/10	352.4	93.0	26.4
Bandar Raya Developments Bhd	31/12/10	627.4	151.2	24.1
Glomac Bhd	30/04/10	316.8	74.9	23.6
SP Setia Bhd	31/10/10	1,745.9	330.9	18.9
Mah Sing Group Bhd	31/12/10	1,110.1	177.9	16.0
IJM Land Bhd	31/03/10	1,101.1	148.9	13.5
Malton Bhd	30/06/10	346.9	35.8	10.3

Notes:

* For Sunway, the revenues and PBT figures are based on its property division for calendar year 2010.

Sunway's PBT is adjusted to exclude RM121.4 million gain on disposal of the hotels and reversal of deferred tax provided for investment properties sold to Sunway REIT. Another RM127.0 million was the share of revaluation surplus recognised by Sunway REIT and other investment properties.

Sunway REIT is 36.6% owned by SunCity, and therefore, Sunway REIT is an associate company of SunCity.

It should be noted that although the above selected companies are all broadly involved in the property market, these selected companies may not be directly comparable to Sunway due to various factors which include, amongst others, the composition of business activities, size of the business, target markets, product offerings, and different FYEs.

Source: Bursa Malaysia Securities Bhd, Management of Sunway

infobusiness

1.8 POSITIONING

Sunway is a complete turnkey, design and build construction company. A conventional construction contract generally involves a three-party arrangement between the owner, design professional and contractor. The owner hires a design professional to design the structure and then the contractor to construct the project according to the design plans and specifications. In contrast, in a design/build contract, the owner enters into a single agreement by which the design/build contractor agrees to perform both the design and construction of the project. As well as being responsible for faulty workmanship in construction, the contractor is also liable for any deficiencies in design under this arrangement. In some instances, the contractor may also agree to be responsible for acquiring land, financing the project and leasing the finished structure. This more comprehensive arrangement is often referred to as a “turnkey” contract.

The design/build contractor may be composed of a joint venture of a contractor and a design professional, or it may be a contractor acting alone as the prime design/build contractor who in turn, engages professional design consultants. Either way, the owner is looking to the design/build contractor for the full package of design and construction services. From an owner's perspective, the design/build contract provides a single source of responsibility. The owner can recover directly from the contractor for deficiencies in either design or construction of the project. Therefore, the owner need not determine initially whether a defect was caused by an error in design or construction. In the conventional construction contract, this issue must be resolved so that the owner can determine whether the design professional or the contractor is at fault.

Another advantage of a design/build contract is that the project can often be completed within a shorter period of time compared with the conventional three-party arrangement, since the construction can begin before the entire plans and specifications are completed. This time saving results from designing the project in phases so that the contractor can begin work on the initial phase of the project while the later phases are being designed. No corresponding time savings occur in the conventional three-party contractual arrangement because the contractor often does not begin work, until the design professional has finalised the plans.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Sunway is an integrated township property development company. It has the branding and track record in developing residential, commercial, industrial and leisure properties. Its flagship project is the integrated and bustling resort city of Bandar Sunway, which was developed from former mining land. The main challenge in township development is that everything is essentially built from the ground up by the property development company, such as the buildings and the entire infrastructure, including roads, power, water and sanitation. Home owners are typically drawn to living in the townships because their offices are located within the same development. This allows them to avoid traffic congestion and crowded transportation systems. Their family members also benefit from the schools, hospitals, shopping, and recreation facilities that are also located within the same township.

In addition, by participating in construction and property development projects overseas, Sunway is able to learn from best practices in the industries in these countries. The knowledge and skills learnt can then be transferred to Malaysia. Best practice is a process or method that, when executed effectively, leads to enhanced project performance. Companies implementing best practices consistently report significantly higher profits, increased customer, employee and shareholders' satisfactions, improved safety and productivity and reduced environmental impacts.

Sunway has also successfully achieved the following internationally recognised certifications that give an assurance to its customers that there is a measurable and verifiable system in place to ensure quality in its products and that have been produced in an environmentally-friendly and safe manner:

- ISO 9001:2008 - Quality Management System;
- ISO 14001: 2004 - Environmental Management System: and
- Occupational Health & Safety Services 18001:2007.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

1.9 MARKET SHARE

There were 4,533 contractors registered under grade G7 in 2010, accounting for 7.0% of all contractors registered with CIDB in that year. Sunway is registered under grade G7. Construction projects were the most abundant under registration grade G7, accounting for 75.5% of total project value in 2010.

With project values amounting to RM57.1 billion for registration grade 7 awarded in the construction industry in Malaysia in 2010, and Sunway (and its subsidiaries, Sunway Geotechnics (M) Sdn Bhd and Sunway Engineering Sdn Bhd) was awarded RM781.3 million in the same year, Sunway recorded a market share of 1.4% for registration grade G7 in the construction industry in 2010. Another subsidiary, Sunway Creative Stones Sdn Bhd, is registered under registration grade G5 and was awarded construction projects worth RM7.5 million in 2010. Construction projects awarded under registration grade G5 amounted to RM3.3 billion in 2010. Hence, its market share was 0.2% for registration grade G5 in that year.

Table 5: Number and Value of Construction Projects by Registration Grades in 2010

Registration Grades	Number of Projects	Project Value (RM million)	Share of Project Value by Registration Grade (%)
G7	3,065	57,053.6	75.5
G6	658	3,254.5	4.3
G5	985	3,306.3	4.4
G4	703	1,481.5	1.9
G3	727	1,374.0	1.8
G2	66	154.5	0.2
G1	42	123.4	0.2
Foreign Contractors	98	8,862.6	11.7
Total	6,344	75,610.4	100.0

Source: CIDB

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

In the UAE and India, the CIDB reported that the value of projects undertaken by Malaysian construction companies between 2006 and 2010 amounted to RM9,641.8 million and RM7,490.1 million, respectively. Sunway was awarded construction contracts worth RM2,502.8 million in the UAE and RM131.8 million in India in this period. Hence, Sunway's market share in the UAE and India amounted to 25.9% and 1.8%, respectively, for the period between 2006 and 2010.

Table 6: Market Share of Sunway in the Construction Industries in the UAE and India (%), 2006-2010

Countries	Value of Projects Undertaken by Malaysian Contractors	Value of Construction Projects Undertaken by Sunway	Market Share (%)
UAE	RM9,641.8 million	RM2,502.8 million	25.9
India	RM7,490.1 million	RM131.8 million	1.8

Source: CIDB, Management of Sunway

There is an estimated 5,000 active property development companies in Malaysia. Based on the latest statistics from the Valuation and Property Services Department, the residential, commercial and industrial property segments recorded transactions of RM50.7 billion, RM23.8 billion and RM9.8 billion, respectively, in Malaysia in 2010. Hence, the property market is very huge, in terms of the value of transactions.

Table 7: Selected Property Transactions in Malaysia (RM Million), 2010

Segment	Federal Territory of Kuala Lumpur and Selangor	Penang	Perak	Malaysia
Residential	30,572.6	4,834.0	2,239.7	50,654.2
Commercial (office and retail)	13,945.4	1,463.4	1,286.3	23,840.3
Industrial	5,286.9	656.6	425.4	9,829.8

Source: Valuation and Property Services Department

Sunway managed to capture a market share of 2.1% in the residential property market segment in the Federal Territory of Kuala Lumpur and Selangor in 2010. On the national level, Sunway recorded a market share of 1.4% for the residential property market segment in 2010.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Meanwhile, for the commercial property segment, Sunway registered a market share of 4.2% in Penang in 2010. At the national level, it registered a market share of 1.2% for the commercial property segment. Lastly, in the case of the industrial property market segment, Sunway recorded a market share of 0.01% at the national level in 2010.

Table 8: Property Transactions of Sunway in the Various Property Market Segments in Malaysia (RM Million), 2010

Segment	Federal Territory of Kuala Lumpur and Selangor	Penang	Perak	Malaysia
Residential	634	43	20	698
Commercial (office and retail)	226	62	0	289
Industrial	N. A.	N. A.	1	1

Note:

N. A. = Not applicable

Source: Management of Sunway

Table 9: Market Share of Sunway in the Various Property Market Segments in Malaysia (%), 2010

Segment	Federal Territory of Kuala Lumpur and Selangor	Penang	Perak	Malaysia
Residential	2.1	0.9	0.9	1.4
Commercial (office and retail)	1.6	4.2	N. A.	1.2
Industrial	N. A.	N. A.	0.2	0.01

Note:

N. A. = Not applicable

Source: Infobusiness

infobusiness

1.10 LEGISLATIONS, INCENTIVES AND POLICIES

1.10.1 Legislations

The construction industry is subject to many different types of domestic regulations. They include controls on land use, building regulations and technical requirements, building codes, building permits and inspection, registration of proprietors, sub-contractors and professionals and environmental regulations. Such measures are applied not only at the national level, but also very frequently at the local authority level. Standards may be established by either the government or private sector associations. Many of these measures are intended to ensure the safety of the objects constructed and the construction workers, to implement urban and land use planning, to protect the health and safety of workers and users and for environmental protection purposes. These regulations and standards are implemented in the public interest.

In 1981, Malaysian government established Pusat Khidmat Kontraktor (“PKK”) to centralise the registration of contractors that bid for government projects. Registration in the private sector was not strictly regulated. In July 1994, the government enacted the Construction Industry Development Board Act 1994; commonly known as Act 520 and subsequently, the Construction Industry Development Board (“CIDB”) was established in December 1994. It became the main regulatory agency for the construction industry and was tasked with registering contractors. Since 1995, all local and foreign contractors are required to register with the CIDB before undertaking any construction work in Malaysia. Only contractors bidding for government projects are required by the Ministry of Finance and Public Works Department to register with the PKK, whereas all contractors, regardless of their job scope in either the public or private sector, requires mandatory registration with CIDB as provided for under the Construction Industry Development Board Act 1994.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

Local contractors are defined as locally incorporated firms with a minimum of 70% local equity ownership. In any case, the local contractors can form a joint venture with contractors from the non-ASEAN countries and still be considered as local contractors in bidding for a project in Malaysia, provided they hold a minimum of 70% local equity ownership. In the case of joint ventures with contractors from the ASEAN countries, the local contractors must have a minimum of 49% local equity ownership, to be considered as local contractors. The local contractors can be classified into seven (7) grades of registration, depending on their financials, experience and human resource capability. This grading encourages contractors to improve on their performances, as the attainment of each successive grade requires them to demonstrate a minimum standard. Hence, contractors can apply for higher grades based on their progressive record.

Table 10: Number of Contractors by Grades Registered with CIDB in 2010

Registration Grades	Tendering Capacity (RM)	Paid-Up Capital / Net Capital Worth (RM)	Number of Contractors
G7	No limit	750,000	4,533
G6	Not exceeding 10 million	500,000	1,507
G5	Not exceeding 5 million	250,000	3,962
G4	Not exceeding 3 million	150,000	2,766
G3	Not exceeding 1 million	50,000	10,761
G2	Not exceeding 500,000	25,000	8,077
G1	Not exceeding 200,000	5,000	32,987
Total	-	-	64,593

Source: CIDB

infobusiness

Environmental issues are becoming an area of concern in the construction industry. An environmental impact assessment (“EIA”) is a study to identify, predict, evaluate and communicate information about the impacts of a proposed project on the environment and to detail out the mitigating measures prior to project approval and implementation. The EIA is essentially a planning mechanism for preventing environmental problems due to the implementation of a proposed project. It ensures that potential problems are foreseen and addressed at an early stage i.e. during project planning and design. Thus, this will avoid costly mistakes in project implementation, either because of the environmental damages that are likely to arise during project implementation, or because of modifications that may be required subsequently in order to ensure that the proposed plans are environmentally acceptable.

In Malaysia, an EIA is required under section 34A, Environmental Quality Act, 1974 (Appendix 1), which specifies the legal requirements in respect of the EIA for prescribed activities. The section requires the project proponent of a prescribed activity to submit an EIA report to the Director General of Environmental Quality, before approval for the proposed activity is granted by the relevant approving authority. The EIA report must be in accordance with the guidelines issued by the Department of Environment and contains an assessment of the impact of the prescribed activity on the environment; and detail the proposed measures that shall be instituted to prevent, reduce or control adverse impacts on the environment. Besides specified construction activities, an EIA is also needed for property development covering an area of 50 hectares or more.

The property market is governed by a host of legislations such as the Construction Industry Development Board Act 1994, the Housing Development (Control and Licensing) Act 1966, Housing Development (Control and Licensing) Regulations 1989 and Housing Developers (Housing Development Account) Regulations 1991. These Acts are responsible for regulating and improving the industry by means of providing consultancy, quality accreditation, research and development, promoting usage of high technology as well as manpower training services.

infobusiness

The government regulations and controls in the property market are principally in the broad sense to achieve the aspirations of the National Economic Policy of equitable distribution of income and the ownership of homes by the population in general, through the provisions of suitable housing as well as to control and protect individual customers by setting minimum standards to the property market.

1.10.2 Incentives

The build then sell (“BTS”) concept is a relatively new concept introduced by the government where property development companies have to complete a housing project completely before selling it to buyers. This is as opposed to the current conventional concept of sell then build (“STB”). Although property development companies are encouraged to adopt the BTS concept, they have the option to continue with the conventional STB method.

There are currently two variants of BTS - the complete BTS 0:100 and partial BTS 10:90. The complete BTS is where the property development company only sells the house when it is fully completed with a certificate of completion and compliance (“CCC”). There will be no down payments or progress payments involved on the part of the buyers. While in the partial BTS, the property development company can sell house units before completion. Under this 10:90 concept, buyers will make a 10% down payment when making house bookings by signing sale and purchase agreements and settle the remaining 90% when the house is ready.

The benefits of this concept are that the rights and responsibilities of the buyers and property development companies will be stated clearly, while banks and other financial institutions are able to fund projects as there is proof of a sale transaction. Property development companies will be encouraged to adopt the BTS approach through the provision of additional incentives such as shortening the approval processes for land and building plans, as well as exemption of deposit payments for licensing housing developments.

infobusiness

The government is promoting the usage of industrialised building system (“IBS”) whereby contractors are exempted from the CIDB’s levy when the IBS is employed for more than 50% of their developments. The Malaysian Industrial Development Authority (“MIDA”) is providing an incentive whereby construction companies which incur expenses on the purchases of moulds used in the production of IBS components are eligible for accelerated capital allowances for a period of three (3) years. The IBS is a construction process that utilises techniques, products, components, or building systems which involve prefabricated components and on-site installation. From the structural classification, there are five (5) IBS main groups identified as being used in the country, and they are as follows:

- Pre-cast concrete framing, panel and block systems;
- Steel framework systems;
- Steel framing systems;
- Prefabricated timber framing systems; and
- Block work systems.

Overall, the decision to go for IBS or traditional building methods would depend on the project design, size of project and ground conditions. The high initial cost is often a deterrent to using the IBS. To start with, a contractor would need to invest in raw building materials as well as a plant to work on these materials.

1.10.3 Policies

The private finance initiative (“PFI”) approach is emphasised in the construction industry. It must be seen in the context of the government’s broader policy priorities of energising the private sector as the engine of national economic growth and, at the same time, improving public delivery and services. The introduction of PFI provides the government with options going beyond the existing modes of implementation, which thus far has mainly focused on either privatisation or conventional government funded projects.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

PFI refers to the transfer to the private sector the responsibility to finance and manage a package of capital investment and services, including the construction, management, maintenance, refurbishment and replacement of public sector assets such as buildings, infrastructure, equipment and other facilities, which creates a stand-alone business. The private sector will create the assets and deliver a service to the public sector client. In return, the private sector will receive payment in the form of lease rental charges, which commensurate with the levels, quality and timeliness of the service provision throughout the concession period. The structure of the lease rental payment for PFI projects will guarantee a total return to the concessionaire's capital investment expenditures, including financing cost repayment and profit to investment. The asset and facilities will be transferred to the public sector upon expiry of the concession period.

The current national housing policy obliges property development companies to allocate 30% of the units in housing projects of a specific size to low cost houses. They are defined as houses priced less than RM42,000. The property development companies are expected to cross-subsidise these low-cost houses from the medium and high costs houses in their projects. This poses a challenge when the development involves prime land, as the property development companies are unable to achieve the socio-economic objectives of providing affordable housing to the lower income group.

The Strata Title Act and related bills were amended in December 2006, to enable a faster and more transparent approval process for strata titles, as well as to provide clearer oversight of property managers on the management of funds collected and disbursed. Amendments were also made to the Housing Development Act, whereby the Certificate of Fitness for Occupation, previously given by the local authorities, was replaced with CCC. The CCC will be issued by architects, thus facilitating early occupation of buildings.

infobusiness

1.11 DEMAND AND SUPPLY CONDITIONS

As the supplier of physical infrastructures, the construction industry is intimately related to the process of industrialisation and urbanisation. The output of the construction industry is a response to the demand for new investments, and as such, a determinant of growth and economic development. The essential elements of a healthy, functioning economy, such as educational institutions, government offices, tourist attractions, transportation infrastructure, housing, commercial properties, and industrial properties need to be built and maintained by the construction industry. Apart from expanding economic infrastructure such as highways, dams, airports and commercial centres, opportunities abound in constructing social infrastructure such as schools, housing and public space.

The construction industry has strong multiplier effects due to its extensive linkages with the other sectors of the economy, particularly the non-metallic mineral products industries (glass and glass products, cement and concrete products, and ceramics), iron and steel industry (long products) and the financial services industry (banking and insurance). Others include property management companies, real estate companies and legal firms. The construction sector has widespread linkages to an estimated 140 business activities in the country. During the past decade, the construction sector consistently accounted for between 2.7% and 3.4% of the national GDP. The government plans to increase this figure to approximately 5% by 2015. This is also in line with the global construction industry which accounts for around 5% of the world's GDP, presently.

The construction industry generally comprises a large pool of local contractors. The distribution of contractors is heavily skewed towards the lower grades with contractors grade G3 and below (contract value less than RM1 million) representing 80.3% of the total registered contractors.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

The number of contractors classified under G7 accounted for a mere 7.0% of the total registered contractors. However, they represent the big players in the construction industry, with huge assets and are able to mobilise both the heavy equipment and human capital to undertake big jobs. Most of their human capital is multi-skilled in nature, being able to be transferred from one construction project to another if there is such a requirement. They are also in the forefront of technological advances and innovation, assisting the country to move into the realm of industrialisation in the construction industry. This is a critical necessity as infrastructure facilities become more sophisticated as a result of the demands placed on them by the end-users. In addition, they also appoint sub-contractors further down the value chain once a big project comes in, assisting to disseminate the ripple or economic multiplier effects of a construction project throughout the economy. Hence, most of the stakeholders' attention in the country is mainly focused on this group of contractors.

Table 11: Local Contractors Registered with the CIDB in 2010

Grade	Number of Contractors	Share (%)
G7	4,533	7.0
G6	1,507	2.3
G5	3,962	6.1
G4	2,766	4.3
G3	10,761	16.7
G2	8,077	12.5
G1	32,987	51.1
Total	64,593	100.0

Source: CIDB

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

The growth of the construction industry is strongly correlated with the economy's performance. It generally moves in tandem with the economy, whereby strong economic growth would expand private investment, which is an indispensable factor in the sector's growth ingredient. The government's macroeconomic policy is also crucial to the construction industry, given its role as a major component of originator of demands. Due to its high multiplier effects, propping up the construction industry had been used in the past as a strategic measure to pump prime the economy. The major focus is to stimulate economic growth via higher public spending, that will eventually benefit various other industries that are inherently link to the former. Hence, demand in the construction industry is measured by the number of projects and project value awarded in the country.

Table 12: Number and Value of Projects Awarded in Malaysia

Year	Number of Projects	Project Value (RM Million)	Local Contractors (RM Million)		Foreign Contractors (RM Million)	
			Government	Private	Government	Private
2006	5,854	60,926.9	21,377.2	35,592.1	1,077.8	2,879.9
2007	7,358	93,294.2	44,775.3	42,592.7	3,475.3	2,450.9
2008	6,327	81,131.9	33,146.9	42,931.8	2,227.1	2,826.3
2009	6,898	74,057.9	32,344.9	38,532.5	1,313.9	1,866.5
2010	6,344	75,610.4	18,239.7	48,507.9	316.2	8,546.4

Source: CIDB

The two (2) economic stimulus packages, introduced in November 2008 and March 2009 amounting to RM67 billion has prevented the economy from sliding into a deeper recession during the global financial crisis. The better-than-expected property market performance in 2010 was supported by several measures introduced in Budget 2010, which complemented the measures in the economic stimulus packages.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

The growth of the property market is strongly correlated with country's economic performance. It generally moves in tandem with the economy, whereby strong economic growth would expand private investment, which is an indispensable factor in the market's growth ingredient. Throughout Malaysia's history, the property market tends to outpace overall economic growth in the boom times but is susceptible to a larger contraction and remains considerably longer in recession during the economic cycle.

The property market is very much dictated by demand and supply with novices, speculators and property development companies increasingly being responsible for price hikes due to the attraction of the possibility of making capital gains. This is also compounded by the rising prices of diesel, wages and building materials, in line with the global inflationary trend. The growing middle class population is expected to create high demand for housing between RM250,000 and RM500,000, particularly in strategic urban locations. The demand for these houses is also attributable to the demand shift from the low-income house owners to purchase higher-cost houses in line with rising disposable income. Housing is a basic need and this goes beyond simply the need for shelter. The objective of the Malaysian housing policy is to provide all Malaysians of all income groups, especially the lower income group, decent homes at affordable prices.

It has been noticed that any bull run in the stock market would immediately translate into booming activities in the property market, as many investors parked their earnings in less risky assets like properties. Hence, there is a positive correlation between the Malaysian equity and property markets. Any liquidity which makes its way into the equity market will subsequently spill over into the property market.

infobusiness

Property cycles are an inherent feature of the property market. The reasons for the existence of the property cycles are due to the fact that while demand for properties grows smoothly, supply tends to grow in quantum leaps. In return, this leads to periodic shortage and oversupply. This is because it takes many years to get a piece of land, draw up plans, get the necessary approvals, obtain financing and finally complete construction for any property project. Due to the long gestation periods and fleeting opportunities, property development companies must often rush into decisions that bind them to set courses in which they irreversibly commit large amounts of resources to projects. Therefore, they might run into the risk of market conditions changing dramatically several years down the road. With globalisation, business and economic effects are transmitted even faster through the economy, compared to the last decade. Hence, the timing of the launching of new projects in the market is a decisive factor, particularly properties in strategically located areas.

Property development cycles inevitably change the industry structure. New property development companies enter during upswings while existing companies expand. Some property development companies may take over others as a quick means to add to their land banks. On the other hand, downswings may lead to exits, failures and / or decreasing size while surviving property development companies may take over land and other assets of companies undergoing failures. On the firm level, some property development companies maintain small organisations by relying on subcontracting to alter the scale of production without having to continually hire and dismiss staff during the various phases of development. However, this must be balanced against the need to build up organisational expertise to deal in specific sub-segments and to control the quality of products delivered. It may also be difficult to engage sub-contractors during upswings.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

The sustainability of the property market is dependent on the economics of supply and demand. If demand exceeds supply, prices will go up, but once prices catch up, price correction will set in and the cycle will move into a lower gear. It all depends on the number of industry players churning out such homes, the popularity of such schemes and their locations and interests for such projects at a given point in time. In the property market, it is necessary to consider effective demand. The demand for property can only become effective if those desiring properties can afford them. In return, this is a function of the income levels and disposable incomes.

Table 13: Performance of the Property Market in Malaysia by Segment based on Transacted Value (in RM million), 2006-2010

Property Segment	2006	2007	2008	2009	2010
	<i>in RM million</i>				
Residential	29,446.9	36,490.6	41,303.9	41,848.4	50,654.2
Commercial	11,520.1	16,350.8	16,615.9	16,388.9	23,840.3
Industrial	6,037.3	7,080.2	7,897.4	6,833.3	9,829.8
Agricultural	6,213.7	6,910.2	8,512.1	8,340.4	11,377.8
Development Land	8,307.8	10,302.1	14,009.5	7,588.2	11,611.2
Others	73.2	9.3	2.9	15.5	126.3
Total	61,598.9	77,143.1	88,341.8	81,014.7	107,439.6

Source: Valuation and Property Services Department

The main factors taken into consideration by property buyers in both the primary and secondary markets, whether for occupation, investment or speculation, are the rates of return and capital appreciation. Generally, the risk rise with the rates of return, and on this basis, it appears that the conservative returns on traditional housing also make it the least risky investment.

infobusiness

The primary market refers to the property units newly built by property development companies and then handed over directly to the first purchaser. The primary market appeals to investors as well as those buying for occupation, including first-time house buyers. In a rising property market, purchasers buying in the primary market are most likely to enjoy good capital appreciation on the property, sometimes even before its completion. More often than not, properties sold by property development companies are a lot cheaper compared with similar types of properties available on the secondary market, thus making them a favourite among those looking for affordable homes, be they new house buyers or property speculators. Capital appreciation is what most property speculators look for, thus it comes as no surprise that they too, are among those who prefer properties in the primary market.

The biggest advantage of buying properties in the primary market is that buyers are assured of owning a brand new home. They are attracted to the fact that they have the first choice of owning and occupying the property, which comes with the standard 18-month defect liability period. It entitles the owner to get the property development company to rectify any defects in the housing unit. Properties in the primary market also appeal to young house buyers who are looking for modern facilities. New projects are said to be much better in terms of quality, design, layout and overall project planning and implementation. This is especially true if buyers are looking for unique features in a property.

In contrast, properties in the secondary market are usually sold by those who bought them from a property development company or from another owner. They are often sold by individual owners or through their appointed real estate agents. There is also a selected group of investors who prefer to invest in completed properties in the secondary market, believing that such properties offer good investment returns. These investors buy secondary or completed properties in prime locations, renovate and furnish the units to increase their market values before selling them to make a profit.

infobusiness

Some buyers of the secondary market have a preference for a particular property type and location not available in the primary market. There are also other buyers who choose to purchase or invest in secondary market properties because they wish to upgrade by moving to a bigger home in a better location. The secondary market has been enjoying steady growth mainly due to the economic growth of the country, which has resulted in higher per capita income. Once people secure better income, they are inclined to upgrade, moving to more established locations or better addresses.

1.12 INDUSTRY RELIANCE AND VULNERABILITY TO IMPORTS

The construction industry and property market have strong multiplier effects in the economy, due to their extensive linkages with the other manufacturing industries, particularly the non-metallic mineral products industries (glass and glass products, cement and concrete products, and ceramics) and iron and steel industry (long products). Building materials such as long steel bars and billets, aluminium frames, glass products, electrical cables and wires, granite, marble, wood panels, tiles, sand bricks, clay bricks, plasters, concrete roof tiles, reinforced concrete piles, concrete culverts and ready-mixed concrete are manufactured domestically. They are also available on the international markets as these building materials are common products. However, due to the higher cost factor of imported building materials and the price-sensitive nature of end-users and building owners, most of the building materials are sourced domestically.

1.13 PROSPECTS AND OUTLOOK OF THE INDUSTRY

The future of the construction industry very much depends on both the economic and social environment that surrounds it. The future structure of the industry is unlikely to be that much different from the present one: a high number of small and medium-sized contractors will carry out small and local projects, while a smaller number of large, partly multinational companies will undertake the larger projects. Under the 10MP, it is expected that the construction sector will grow at 3.7% per annum. Fifty-two high impact projects worth RM63 billion had been identified.

7. INDUSTRY OVERVIEW (cont'd)

infobusiness

With around 60% of the national population below the age of 30 years old, the country is anticipated to experience a significant household transformation that will further expand the demand for properties. Urban migration will also accelerate the demand for residential properties, especially those sited in the major cities. Based on fundamentals, there is always a demand for residential properties, be it first-time buyers looking to set up home, families wanting to upgrade, rise in the number of families, people relocating to the urban areas in search of jobs or foreigners buying for investment. Factors such as proximity to good infrastructure such as LRTs and highways, a strategic location and reasonable mortgage rates will assist to contribute to a project's success in a particular locality. Property development companies have to stress on branding, product differentiation and marketing ingenuity to distinguish them in a fairly overcrowded market in certain property segments.

Increasingly, property development projects in Malaysia have taken on mega proportions which require detailed planning and a huge investment outlay. They cover large tracts of land for comprehensive facilities. Demand for landed property has not abated, with terrace houses maintaining their traditional popularity. Most Malaysians, it seems, find the lure of traditional landed property irresistible, and hence, this is one segment of the property market which has stood the test of time.

Sunway has the branding and track record to ensure its continued success in the property market in the future. It is strategically located in the administrative and financial centre of the country, the Klang Valley. The progress of Kuala Lumpur into an exemplary world class city and the Klang Valley as a vibrant property powerhouse continue to set the pace in the property market. In addition, there is a growing market for higher end properties in the high-impact new economic regions and corridors nationwide. Hence, there are opportunities as well in the other fast growing regions of the country.

8. VALUATION CERTIFICATES

(Prepared for inclusion in this Prospectus)

Valuation Certificates from Knight Frank (Proprietor: Ooi & Zaharin Sdn Bhd)

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Sunway City Berhad
 Level 3, Menara Sunway
 Jalan Lagoon Timur, Bandar Sunway
 46150 Petaling Jaya
 Selangor Darul Ehsan

Date: **02 AUG 2011**

Reference No.: V/11/0030(A) to (M) & V/PG/11/050(A) to (E)

Dear Sir,

EXECUTIVE SUMMARY OF VALUATION CERTIFICATE OF PROPERTIES BELONGING TO SUNWAY CITY BERHAD

We were instructed by Sunway City Berhad ("SunCity") to conduct a Valuation of the Subject Properties and details of the Valuation are contained in our respective Valuation Reports dated 11th March 2011.

This Valuation Certificate is prepared for inclusion in the Prospectus of Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) ("Sunway") in relation to the proposed listing exercise of Sunway on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Valuation was prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents.

The basis of Valuation adopted is the **Market Value** which is defined as "the estimated amount for which a property should exchange on the date of Valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

For the purpose of this valuation, we have adopted the **Comparison, Investment** and / or **Residual** Methods of Valuation. The Comparison Method of Valuation will be adopted for property which comprises vacant development land with no submissions have been made as yet to secure development approvals from the relevant authorities whilst in valuing ongoing developments which are under construction, the primary method adopted will be the Residual Method of Valuation. In cases where, development approvals are obtained but no contract was awarded for the construction of the development as yet, we have adopted the Market Value as derived from the Comparison Method of Valuation supported by the Market Value derived from the Residual Method. However, for completed and income generating property, we have generally adopted the Investment Method of Valuation as the most reliable and appropriate method of valuation in our final opinion of Market Value of the Subject Property.

Brief details of the methodology adopted are defined overleaf.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank**i) Comparison Method**

This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (Subject Property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered.

In arriving at the Market Value of development lands without development approvals, we have considered the Comparison Method of Valuation as the primary and most reliable and appropriate method of valuation after having noted sufficient comparable properties in the locality and after having considered that in absence of definite, detailed and approved development plans, the Residual Method is very much a theoretical methodology where the finer details of the hypothetical end product and estimated construction costs are much more difficult to determine with precision. Merely relying on master planning, proposed developments, zoning or other planning controls are theoretical in nature as the Residual Method reliability depends on the confidence placed on the Gross Development Value and Gross Development Cost computations.

Without proper detailed development plans, the Residual Method require so many assumptions and estimations regarding the hypothetical improvements that the end-result is very much speculative and subjective.

Henceforth, in valuing vacant development lands with development approvals obtained without contracts awarded for the construction of the development as yet, we have adopted the Market Value as derived from the Comparison Method of Valuation supported by the Market Value derived from the Residual Method.

ii) Investment Method

This approach considers income and expense data relating to the Subject Property being valued and estimates value through a capitalization process. Capitalization relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as *capitalization rates*), *yield* or *discount rates* (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.

In undertaking our assessment of value under the capitalisation approach, we have generally adopted the current passing rental in their existing tenancy as a means of deriving the income and value for the Subject Property. Our assessment of the market rent of the Subject Property under the reversionary term is based on the historical passing rental of the Subject Property and rental evidences of other comparable properties in the surrounding vicinity.

Under the reversionary term, we have generally allocated 5% of the gross annual rental for voids, vacancy periods between rent reviews, which include the rent free and fitting out periods.

iii) Residual Method

This approach is based on the premise that the price which a purchaser can pay for a property is the surplus after he has met out the proceeds from the sale of the finished development his full cost of development and profit.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



In arriving at the Gross Development Value, we have used the Comparison Method. This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (Subject Property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered.

In arriving at the Gross Development Cost, we have made reference and adopted the total awarded contract sum provided to us by the Client to be fair representation after taking into consideration of the industry average costs. In cases where no contract was awarded for the construction of the development as yet, we have taken into account and adopted the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published in the Construction Cost Handbook issued by Messrs Davis Langdon & Seah (Malaysia) Sdn. Bhd.

In general, we have adopted 100% take-up rate within the project development period for on-going proposed development is reasonable after having taken into consideration of the current market performance of the respective developments, the total number of components and unit and product features being offered.

We have adopted an anticipated development period of 1 - 3 years for on-going development projects which has been pre-sold as reasonable after taking into consideration of the remaining unsold units of the respective development projects and anticipated period of 2 - 3 years as fair representation of industry practice for developments which have not been launched / sold depending on type of development.

A discount rate of 8.00% is adopted throughout all on-going properties under valuation. Present value (discount rate) adopted is defined as the value on a given date of a future payment or series of future payments, discounted to adequately reflect and adjust for both risk and time value of money. In accordance to the Malaysian Valuation Standards, the discount rate used in the valuation should be market derived.

Overall, we have adopted 15% of gross development value as developer's profit to be fair after having taking into consideration the nature and risk involved by a developer in a specific project development.

Summary of the Subject Properties are as attached below and overleaf.

No.	Identification of Property	Market Value
1	Reference No. : V/11/0030(A)/osf	RM53,000,000
	Legal Description : Lot Nos. 17, 41, 42, 38 and 39 (now known as Lot 62 and 63 respectively), all within Section 45, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	
	Type of Property : Five (5) contiguous parcels of vacant development land.	
2	Reference No. : V/11/0030(B)/jon	RM128,000,000
	Legal Description : Lot Nos. 25164 (formerly PT 22324), 18336 (formerly PT 4025), 7144 (formerly PT 4026), PT 4023, 1696 and 1697, all within Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan.	
	Type of Property : Six (6) contiguous parcels of vacant development land.	

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



No.	Identification of Property	Market Value
3	Reference No. : V/11/0030(C)(i)/nmk	RM86,000,000
	Legal Description : Lot No. PT 371, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : An on-going mixed commercial development known as Sunway Nexis.	
4	Reference No. : V/11/0030(C)(ii)/nmk	RM40,000,000
	Legal Description : Lot No. 54662, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : An on-going gated and guarded residential development known as Sunway Rymba Hills, comprising 80 units of stratified 3-storey detached house (zero lot) together with a club house and recreational facilities.	
5	Reference No. : V/11/0030(D)/ltk	RM35,500,000
	Legal Description : Lot No. 58486, Locality of Bt 2 Jln Damansara, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	
	Type of Property : A parcel of residential development land with benefit of planning approval.	
6	Reference No. : V/11/0030(E)(i)/nmk	RM148,000,000
	Legal Description : Lot Nos. PT 372 to PT 376 (inclusive), all within Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : Five (5) contiguous parcels of vacant commercial land.	
7	Reference No. : V/11/0030(E)(ii)/nmk	Lot PT 876 : RM7,700,000 Lot PT 958 : RM1,700,000
	Legal Description : Lot Nos. PT 876 and PT 958, both within Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : Two (2) parcels of vacant commercial land designated for Petrol Station and Food Court use respectively.	
8	Reference No. : V/11/0030(F)/ltk	RM258,000,000
	Legal Description : Lot No. 57450, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	
	Type of Property : An on-going 228-unit condominium development known as Sunway Vivaldi Mont' Kiara.	

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



No.	Identification of Property	Market Value
9	Reference No. : V/11/0030(G)/cth	RM637,900,000
	Legal Description : Lot Nos. PT 885, PT 887, PT 892, 62631, 62634, 62635, 62637 to 62640 (inclusive), 62646, 62649, 62651, 62654, 65656, 62658 and 62663 and proposed re-alienation of state land, all located within Bandar Sunway, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : Sunway South Quay; an exclusive on-going lakeside development consisting of completed, unsold and on-going developments as well as vacant commercial and residential development lands.	
10	Reference No. : V/11/0030(H)/nmk	RM88,000,000
	Legal Description : Lot Nos. 30086 and 30087, both within Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	
	Type of Property : Two (2) parcels of vacant development land with the benefit of planning approval for the proposed development of Sunway Melawati, a stratified guarded and gated residential development comprising 57 units of three-storey terraced houses, 50 units of three-storey semi-detached houses, 88 units of three-storey zero end detached houses and a double-storey clubhouse.	
11	Reference No. : V/11/0030(I)/gct	RM154,000,000
	Legal Description : Lot Nos. 62644 (formerly known as Lot No. PT 923) and PT 895, both within Town of Sunway, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : Two contiguous parcels of residential development land, with main building works in progress (Phase 1), approved for the development of 4 blocks of apartment buildings comprising 552 units, a club house and a multi-purpose hall together with other supporting facilities.	
12	Reference No. : V/11/0030(J)/gct	RM55,000,000
	Legal Description : Parent Lot No. 61771 held under Strata Title Nos. PN11816/M3/2/125, Parcel No. 125, Storey No. 2, Building No. M3 to PN11816/M3/25/248, Parcel No. 248, Storey No. 25, Building No. M3 (inclusive) together with 308 Accessory Parcels, all within Town of Sunway, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : A block of 28-storey apartment building (en-bloc) identified as Block B comprising 124 stratified apartment units together with 308 accessory parcels.	

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



No.	Identification of Property	Market Value
13	Reference No. : V/11/0030(K)/osf	RM200,000,000
	Legal Description : Lot Nos. 62630 (formerly Lot No. PT 907) and PT 894 (now known as Lot No. 62224), both within Town of Sunway, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : A university campus accommodating six blocks of academic buildings identified as Blocks 2, 3, 5, 6A, 7 and 9, a maintenance building together with other ancillary buildings.	
14	Reference No. : V/11/0030(L)/cgc	RM153,000,000
	Legal Description : Lot Nos. PT 28 and PT 1904, both within Bandar Sunway, District of Petaling, Selangor Darul Ehsan.	
	Type of Property : A college campus accommodating a 5-storey academic building (South Building), a 7-storey academic building (North Building), a newly completed 3-storey academic building (East Building) and four blocks of 5-storey walk-up hostel apartments together with other ancillary buildings.	
15	Reference No. : V/11/0030(M)/cth	RM117,360,000
	Legal Description : Completed, unsold and on-going developments as well as vacant development lands, all located within Sunway City Ipoh, all held under Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan.	
	Type of Property : Sunway City Ipoh; a master planned on-going township development consisting of completed, unsold and on-going developments as well as vacant development lands.	
16	Reference No. : V/PG/11/050(A)/ymk	RM16,900,000
	Legal Description : Lot Nos. 5646 to 5648 (inclusive), all within Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang.	
	Type of Property : An on-going commercial development known as Sunway Perdana comprising 49 units of three-storey of shopoffice, 1 unit of 1-storey futsal centre (4 courts) and 1 unit of 1-storey badminton centre (6 courts).	
17	Reference No. : V/PG/11/050(B)(i)&(ii)/ymk	Lot No. 5493 : RM13,600,000 Lot Nos. 5781 to 5783 : RM8,700,000
	Legal Description : Lot No. 5493 held under Title No. Pajakan Negeri 1814 and Lot Nos. 5781 to 5783 held under Title Nos. Pajakan Negeri 2546 to 2548 respectively, all within Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang.	
	Type of Property : Four (4) lots of vacant development land.	

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



No.	Identification of Property	Market Value
18	Reference No. : V/PG/11/050(C)/lak	RM25,000,000
	Legal Description : Lot 16833, Mukim 12, Daerah Barat Daya, Pulau Pinang.	
	Type of Property : An on-going residential development known as Sunway Merica comprising 86 units of 3-storey terraced house and 12 units of 3-storey semi-detached house.	
19	Reference No. : V/PG/11/050(D)/ci	RM11,000,000
	Legal Description : Lot Nos. 736, 945, 946 & 947, all within Mukim 11, Daerah Barat Daya, Pulau Pinang.	
	Type of Property : An on-going residential development known as Sunway Aspera, consisting of 76 units of 2-storey terraced house and 9 units of 3-storey terraced house.	
20	Reference No. : V/PG/11/050(E)/vt	RM48,400,000
	Legal Description : Lot No. 337, 1472, 1473, 1475, 1476, 1477, 1478, 1479, 1480, 1512, 1515, 1517, all within Mukim 12, Daerah Barat Daya, Pulau Pinang.	
	Type of Property : Twelve (12) contiguous parcels of vacant development land.	
GRAND TOTAL		RM2,286,760,000

For and on behalf of
KNIGHT FRANK

Ooi YEW HOCK
Registered Valuer, V-273
FISM, MRICS

Date: 11th March 2011

For and on behalf of
KNIGHT FRANK

TAY TAM
Registered Valuer, V-219
FISM

Date: 11th March 2011

Notes:

- i. Property No. (1) – (15) are undertaken by Knight Frank Malaysia Head Office, Mr. Ooi Yew Hock and peer reviewed by Mr. Chong Teck Seng (Registered Valuer, V-331).
- ii. Property No. (16) – (20) are undertaken by Knight Frank Penang, Mr. Tay Tam and peer reviewed by Knight Frank Head Office, Mr. Chong Teck Seng (Registered Valuer, V-331).

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 17, 41, 42, 38 and 39 (now known as Lot 62 and 63 respectively)
All within Section 45, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Reference No. : V/11/0030(A)/osf

**1.0 VALUATION CERTIFICATE****1.1 IDENTIFICATION OF PROPERTY**

Type of Property Five (5) contiguous parcels of vacant development land.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos. :	Lot Nos. 17, 41, 42, 38 and 39 (now known as Lot 62 and 63 respectively), all within Section 45, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Total Land Area :	3,812.788 square metres [after compulsory acquisition (Borang K)].
Tenure :	Interest in perpetuity, in respect of all titles.
Registered Proprietor:	Lavender Acres Sdn. Bhd (a wholly-owned subsidiary of Sunway City Berhad), in respect of all titles.
Category of Land Use:	Not stated.

1.2 PROPERTY DESCRIPTION

Property Description / Location The subject site forms an irregular shaped parcel of land with a combined land area of 3,812.788 square metres. The Subject Property is strategically located next to the exit points of the Ampang-Kuala Lumpur Elevated Highway (AKLEH) onto Jalan Ampang.

At the date of our inspection, we note that the subject site is currently being used as a surfaced car park area.

Planning Approval The Subject Property has been granted a conditional approval for the development of a 35-storey office tower together with an increase in permissible plot ratio of 1:5.2 to 1:11, subject to terms and conditions stipulated therein vide a Development Order dated 19th July 2010, issued by the Kuala Lumpur City Hall.

1.3 MARKET VALUE

Date of Valuation 7th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison and Residual Methods of Valuation.**

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 17, 41, 42, 38 and 39 (now known as Lot 62 and 63 respectively)
All within Section 45, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Reference No. : V/11/0030(A)/osf

Reconciliation of Values

Method of Valuation	Derivation of Values
Comparison Method	RM53,000,000
Residual Method	RM48,000,000

Market Value

RM53,000,000.

Sales Comparison and Analysis			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot No. PT 1 Section 44 held under Title No. HS(D) 95, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot No. 288 Section 57 held under Title No. Geran 18344, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot No. 129 Section 44 held under Title No. Geran 6853, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Locality	Along Jalan Cendana, Off Jalan Sultan Ismail	Along Jalan Raja Chulan	Along Jalan Cendana, Off Jalan Sultan Ismail
Tenure	Leasehold Interest for a term of 99 years, expiring on 26 th May 2073	Interest in perpetuity	Interest in perpetuity
Land Area (Square Feet)	32,669	20,323	87,801 [After compulsory acquisition (Borang K)]
Consideration	RM35,937,000	RM28,000,000	RM84,000,000
Date	11 th May 2010	10 th June 2010	24 th August 2009
Property Type	A parcel of vacant development land	A parcel of vacant development land	A parcel of vacant development land
Planning	Zoned for commercial use with a plot ratio of 1:8	Zoned for commercial with a plot ratio of 1:7	Zoned for commercial with a plot ratio of 1:8
Analysis	RM1,100 psf	RM1,378 psf	RM975 psf
Adjustments	Upward adjustments are made for prevailing market condition/time lapse, infrastructure availability, planning approval (DO/Building Plans Approval) and tenure. Downward adjustments are made for subject property adjoining onto Ampang Elevated Highway and LRT Line.	Upward adjustments are made for prevailing market condition/time lapse, infrastructure availability and planning approval (DO/Building Plans Approval). Downward adjustments are made for location and subject property adjoining onto Ampang Elevated Highway and LRT Line.	Upward adjustments are made for prevailing market condition/time lapse, infrastructure availability, planning approval (DO/Building Plans Approval) and purchase consideration. Downward adjustments are made for subject property adjoining onto LRT Line.
Effective Value	Adjusted RM1,328 psf	RM1,374 psf	RM1,265 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM1,265 per square foot to RM1,374 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 1 (Lot No. PT1) and Comparable No. 3 (Lot No. 129) as they have significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM1,300.00 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 17, 41, 42, 38 and 39 (now known as Lot 62 and 63 respectively)
All within Section 45, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur



Reference No. : V/11/0030(A)/osf

**Residual Method
of Valuation**

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters	
Gross Development Value	RM315,884,800 (Note 1)
Gross Development Cost	RM255,398,375
Preliminaries & Infrastructure	RM19.24 psf / Total Land Area
Building Construction Cost	RM508.47 psf / Net Lettable Area
Developer's Profit	15% of GDV
Development Period	3 years
Discount Rate	8%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted RM1,000 per square foot to be fair representation after having making the necessary adjustments for similar properties that are sold within the surrounding vicinity. Selected comparable sales of en-bloc purpose-built office building adopted in arriving at the GDV are Sunway Tower (RM639 psf), The Icon @ Tun Razak (East Wing) (RM814 psf) and Kenanga International (RM695 psf).

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 25164, 18336, 7144, PT 4023, 1696 and 1697,
Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan

Reference No. V/11/0030(B)/jon

2.0 VALUATION CERTIFICATE

2.1 IDENTIFICATION OF PROPERTY

Type of Property Six (6) contiguous parcels of vacant development land.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos. :	Lot Nos. 25164 (formerly PT 22324), 18336 (formerly PT 4025), 7144 (formerly PT 4026), PT 4023, 1696 and 1697 respectively, all within Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan.
Land Area :	2,073,369 square metres (207.34 hectares).
Registered Proprietors :	Sunway Semenyih Sdn. Bhd (A subsidiary of Sunway City Berhad), in respect of Lot Nos. 25164, 18336, 7144, 1696 and 1697. Ultimate Delight Sdn. Bhd (now known as Sunway Semenyih Sdn Bhd), in respect of Lot No. PT 4023.
Category Of Land Use:	'Not Stated' in respect of Lot Nos. 7144, 1696, 1697 and PT 4023. 'Pertanian' (Agriculture) in respect of Lot No. 18336. 'Bangunan' (Building) in respect of Lot No. 25164.

2.2 PROPERTY DESCRIPTION

Property Description / Location Lot Nos. 25164, 18336 and 7144 measuring 1,622,509 square metres form part of the existing Sunway Semenyih development (collectively identified as Parcel A) whilst Lot Nos. PT 4023, 1696 and 1697 measuring 450,860 square metres consist of three adjacent parcels of development land (collectively identified as Parcel B).

Collectively, the subject site forms an irregular shaped parcel of land with a combined title land area of 2,073,369 square metres (207.34 hectares). The terrain of the site is generally undulating and the site boundaries are not demarcated with any form of fencing. Sunway Semenyih is located off the Kajang – Semenyih trunk road, travelling to / from the Kajang and Semenyih town centres.

Bandar Sunway Semenyih, originally a plantation, has been transformed into a well-planned integrated township development spanning over 700 acres with facilities and amenities already in place. It was first launched in November 2000.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 25164, 18336, 7144, PT 4023, 1696 and 1697,
Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan

Reference No. V/11/0030(B)/jon

Planning Approval

Lot Nos. 25164, 18336 and 7144 are located within an area designated for residential use whilst Lot Nos. PT 4023, 1696 and 1697 are designated for agriculture use.

Pursuant to an official letter issued by the Kajang Municipal Council dated 28th June 2010, we note that the approved master layout plan has been granted approval for an extension period of one (1) year subject to terms and conditions stated therein.

2.3 MARKET VALUE

Date of Valuation 11th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison Method** of Valuation for Parcels A, B, 2B and 3 and **Residual Method** of Valuation for Parcel A.

Reconciliation of Values

Method of Valuation	Derivation of Values
Comparison Method	RM128,000,000
Residual Method	RM127,000,000

Market Value RM128,000,000.

Sales Comparison and Analysis (Lot Nos. 18336, 25164 and 7144, forming part of Sunway Semenyih) (Parcel A)			
	Comparable 1	Comparable 2	Comparable 3
Identification	Title No. Geran 48712, Lot No. 1331, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Title No. Geran 54284, Lot No.967, Mukim of Beranang, District of Ulu Langat, Selangor Darul Ehsan	Title No. HS(D) 79638, Lot No. PT 23728, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan
Locality	Taman Tasik Semenyih	Taman Pelangi Semenyih	Off Jalan Broga
Tenure	Freehold	Freehold	Freehold
Consideration	RM4,188,975	RM31,954,200	RM11,773,000
Date	27 th October 2009	27 th March 2009	10 th June 2009
Property Type	A parcel of vacant development land	A parcel of vacant development land	A parcel of vacant development land
Planning	Zoned for residential use	Zoned for residential use	Zoned for residential use
Analysis	RM4.02 psf	RM4.36 psf	RM4.02 psf
Adjustments	Upward adjustments are made for prevailing market condition, infrastructure availability, location, accessibility and planning approval Downward adjustments are made for shape/size, terrain and others (transmission line)	Upward adjustments are made for prevailing market condition, infrastructure availability and location Downward adjustments are made for category of land use, shape/size, terrain and others (transmission line)	Upward adjustments are made for prevailing market condition, infrastructure availability, location, accessibility and planning approval Downward adjustments are made for shape/size terrain and others (transmission line)
Effective Adjusted Value	RM6.51 psf	RM6.11 psf	RM6.75 psf

Valuation Rational From the adjusted values, we note that the values derived range between RM6.11 per square foot to RM6.75 per square foot. In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 because they have significant similarities as the Subject Property after making the necessary adjustments. Having regards to the foregoing, we have adopted the analysed value of about RM6.11 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 25164, 18336, 7144, PT 4023, 1696 and 1697,
Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan

Reference No. V/11/0030(B)/jon

Sales Comparison and Analysis (Lot Nos. PT 4023, 1696 and 1697) (Parcel B)			
	Comparable 1	Comparable 2	Comparable 3
Identification	Title No. Geran 48712, Lot No. 1331, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan	Title No. Geran 54284, Lot No.967, Mukim of Beranang, District of Ulu Langat, Selangor Darul Ehsan	Title No. HS(D) 79638, Lot No. PT 23728, Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan
Locality	Taman Tasik Semenyih	Taman Pelangi Semenyih	Off Jalan Broga
Tenure	Freehold	Freehold	Freehold
Consideration	RM4,188,975	RM31,954,200	RM11,773,000
Date	27 th October 2009	27 th March 2009	10 th June 2009
Planning	Zoned for residential use	Zoned for agriculture use	Zoned for residential use
Property Type	A parcel of vacant development land	A parcel of vacant development land	A parcel of vacant development land
Analysis	RM4.02 psf	RM4.36 psf	RM4.02 psf
Adjustments	Upward adjustments are made for prevailing market condition and location Downward adjustments are made for shape/size, zoning /density and terrain	Upward adjustments are made for prevailing market condition and location Downward adjustments are made for category of land use, infrastructure availability, zoning/density, terrain, accessibility and planning approval	Upward adjustments are made for prevailing market condition and location Downward adjustments are made for shape/size, zoning/density and terrain
Effective Adjusted Value	RM4.27 psf	RM4.27 psf	RM5.34 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM4.27 per square foot to RM5.34 per square foot. In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 because it has significant similarities as the Subject Property after making the necessary adjustments. Having regards to the foregoing, we have adopted the analysed value of about RM4.27 per square foot in our Valuation as a fair representation.

In arriving the value for the additional two parcels of development land (Phase 1 – Parcel 2B which forms part of Lot 7144 and Parcel 3 of part Lot 18336) being proposed for future development, we have adopted the Comparison Method. In reconciling our opinion of value, we have adopted the based analysed value (RM4.27 psf) of Parcel B as a comparable.

Parcel 2B	We have adopted an analysed value of RM5.30 psf after having made upward adjustments for location within our development, zoning, size, benefit of master approval and a downward adjustment for terrain.
Parcel 3	We have adopted an analysed value of RM6.00 psf after having made upward adjustments for terrain, zoning, size and benefit of planning approval.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 25164, 18336, 7144, PT 4023, 1696 and 1697,
Mukim of Semenyih, District of Ulu Langat, Selangor Darul Ehsan

Reference No. V/11/0030(B)/jon

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (forms part of Lot Nos. 25164, 18336 and 7144 with a land area of 284.53 acres) (Parcel A)

Gross Development Value	RM694,269,598.00 (Note 1)
Gross Development Cost	RM580,642,603.00.
Preliminaries & Infrastructure	RM3.00 psf / Land Area Approved for Development
Building Construction Cost	Average RM95.48 psf / Total Gross Built-up Area
Developer's Profit	15% of GDV
Development Period	5 years.
Discount Rate	8.00%.

Note 1: Gross Development Value (GDV) (Parcel A)

In arriving at the Gross Development Value, we have adopted the following selling prices after having taking into consideration of similar properties that are being sold within the immediate and surrounding areas. Selected comparable sales adopted in arriving at the GDV are double-storey terraced houses (from RM230,000 to RM275,000), double-storey semi-detached houses (from RM410,000 to RM420,000) and double-storey detached houses (from RM450,000 to RM480,000).

Summary of Gross Development Value (GDV) (Parcel A)

Description	No. of Units	Total Amount	Analysis (per unit)
Double-storey bungalows (Detached / Link Zero-lot)	355		RM 750,000 to RM 1,000,000 per unit
Double-storey cluster and semi-detached houses	210	RM694,269,598	RM 450,000 and RM 550,000 per unit
Double-storey link / terraced houses	791		RM 250,000 to RM 380,000 per unit
Low-medium and medium cost apartments	826		RM 72,000 and RM 100,000 per unit

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Pekan Lot No. PT 371
Pekan Baru Sungai Buloh, District Of Petaling
Selangor Darul Ehsan

Reference No. : V/11/0030(C)(i)/nmk

3.0 VALUATION CERTIFICATE**3.1 IDENTIFICATION OF PROPERTY****Type of Property**

An on-going mixed commercial development known as Sunway Nexis, comprising:-

- i) Block A - A block of 3-storey building accommodating twelve (12) retail / office lots;
- ii) Block B - A block of 3-storey building accommodating fifteen (15) retail / office lots;
- iii) Block C (113 units) - A 13-storey office building and a facilities floor sited atop a 3-storey building accommodating nine (9) retail / office lots;
- iv) Block D (156 units) - A 20-storey SoHo building and a facilities floor sited atop a 3-storey building accommodating thirteen (13) units retail / office lots;
- v) Together with two levels of basement car park.

Title Particulars

The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot No.	: Lot No. PT 371, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
Land Area	: 23,568 square metres.
Tenure	: Leasehold interest for a term of 99 years, expiring on 23 rd November 2100.
Registered Proprietor*	: Perbadanan Kemajuan Negeri Selangor.
Category Of Land Use	: 'Bangunan'.

Notes :

* Perbadanan Kemajuan Negeri Selangor (PKNS) and Sunway City Berhad (SCB) signed a Shareholder Agreement and a Sale and Purchase Agreement. The shareholder agreement sets up Sunway Damansara with stake of 60% by SCB and 40% by PKNS.

The Sale and Purchase Agreement is for the sale of 345 acres of land from PKNS to Sunway Damansara Sdn Bhd (SDSB) and PKNS granted Power of Attorney to SDSB for development of the aforesaid land.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Pekan Lot No. PT 371
Pekan Baru Sungai Buloh, District Of Petaling
Selangor Darul Ehsan

Reference No. : V/11/0030(C)(i)/nmk

3.2 PROPERTY DESCRIPTION

Property Description / Location Sunway Nexis is an on-going mixed commercial development located within PJU 5 of Kota Damansara.

Brief development details are tabulated as follows:-

Type	Built-Up Area (sq metre)	Total Units	Developer's Selling Price**	Take Up Rate	Total Sales Revenue / Progressive Payment Billed	Stage of Completion
Nexis Shoppe	From 386 to 1,652	49	From RM4,660,000 to RM25,730,000	53%	RM148,428,389 / RM32,960,000	80.66%
Nexis Biz Suite	From 86 to 143	113	From RM710,000,000 to RM1,130,000	14%	RM12,302,164 / RM1,568,000	
Nexis Flexi Suite*	Proposed average 92 sq metres	156	Proposed RM806 per sq. feet	-	-	

* We were informed by our client that the details of the Nexis Flexi Suite are yet to be finalized.

** Developer's selling price is subject to promotional & bumiputra discounts.

Planning Approval

The Subject Property is designated for commercial use and has been granted planning approval vide the photocopy of the Planning Approval Letters dated 4th October 2010 and 30th November 2010, both issued by the Petaling Jaya Municipal Council.

Subsequent to the above approval, we note that an application has been made by Fournate Design to revise the original Planning Approval to the current as built development components.

As of the date of valuation, we were made to understand by the client that the revised building plans have been submitted and pending for approval from the Petaling Jaya Municipal Council. Our valuation is on the assumption that the revised building plans submitted will be approved by Petaling Jaya Municipal Council and other relevant authorities.

3.3 MARKET VALUE

Date of Valuation 7th February 2011.

Valuation Methodology In valuing on-going developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value RM86,000,000.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Pekan Lot No. PT 371
Pekan Baru Sungai Buloh, District Of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(C)(i)/nmk

**Residual Method
of Valuation**

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (All Based on Remaining Value / Cost)	
Total Gross Development Value	RM456,124,174 (Note 1)
Gross Development Cost (including Developer's Profit)	RM339,115,199 (remaining)
Preliminaries & Infrastructure	RM167.28 psf / Total Land Area
Main Building Works	Average RM144.60 psf / Total Gross Built-up Area
Developer's Profit	15% of GDV
Development Period	Approximately 4 years
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted an average sales price of RM1,000.00 psf for Nexis Biz Shoppe, RM600.00 psf for Nexis Biz Suite and RM700.00 psf for Nexis Flexi Suite to be fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding areas.

Selected comparable sales of stratified retail shop/office lot are Sunway Giza (from RM671 psf to RM733 psf), The Cascades @ Kota Damansara (from RM561 psf to RM833 psf), Neo Damansara (RM384 psf), Jaya One (RM405 psf), 32 Square (RM365 psf) and The Strand Garden Office @ Encorp Strand (from RM600 psf to RM750 psf).

Whilst selected comparable sales of service suite/SoHo units/service apartment are The Tropics Designer Suites (from RM593 psf to RM597 psf), Ritze Perdana (RM548 psf) and The Cascades @ Kota Damansara (from RM580 psf to RM650 psf).

Launch date of Sunway Nexis Shoppe and Sunway Nexis Biz Suite was in October 2010 and November 2010 respectively.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 54662 (formerly held under Lot No. PT 12207)
Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(C)(ii)/nmk

4.0 VALUATION CERTIFICATE

4.1 IDENTIFICATION OF PROPERTY

Type of Property An on-going gated and guarded residential development known as Sunway Rymba Hills, comprising 80 units of stratified 3-storey detached houses (zero lot) together with a club house and recreational facilities.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot No.	:	Lot No. 54662 (formerly held under Lot No. PT 12207), Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
Land Area	:	79,809 square metres.
Tenure	:	Leasehold interest for a term of 99 years, expiring on 5 th June 2105.
Registered Proprietor*	:	Perbadanan Kemajuan Negeri Selangor.
Category Of Land Use	:	'Bangunan'.

Notes :

* Perbadanan Kemajuan Negeri Selangor (PKNS) and Sunway City Berhad (SCB) signed a Shareholder Agreement and a Sale and Purchase Agreement. The shareholder agreement sets up Sunway Damansara with stake of 60% by SCB and 40% by PKNS.

The Sale and Purchase Agreement is for the sale of 345 acres of land from PKNS to Sunway Damansara Sdn Bhd (SDSB) and PKNS granted Power of Attorney to SDSB for development of the aforesaid land.

4.2 PROPERTY DESCRIPTION

Property Description / Location Sunway Rymba Hills is an on-going gated and guarded residential development, located within Sunway Damansara, Seksyen 12 of Kota Damansara.

Brief development details are tabulated as follows:-

Type	Land Area (sq metre)	Built-Up Area (sq metre)		Total Units	Developer's Selling Price*	Take Up Rate	Total Sales Revenue / Progressive Payment Billed	Stage of Completion
		Gross	Net					
Type A (with lift)	From 393.30 to 559.40	420.76	328.43	14	From RM3,890,000 to RM5,023,050	62.50%	RM148,517,740 / RM48,326,783	20.71%
Type B	From 376.40 to 467.40	419.83	316.76	18	From RM3,350,000 to RM4,318,500			
Type C	From 342.80 to 395.70	432.00	337.35	37	From RM3,050,000 to RM3,960,450			
Type D (with lift)	From 392.90 to 413.70	412.68	336.64	11	From RM3,982,000 to RM4,549,500			

* Developer's selling price is subject to promotional & bumiputra discounts.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 54662 (formerly held under Lot No. PT 12207)
Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(C)(ii)/nmk

Planning Approval

The Subject Property is designated for residential use with a permissible density of 20 persons per acre and further granted a planning approval and building plan approval vide the approval letters dated 7th October 2008 and 31st October 2008, both issued by the Petaling Jaya Municipal Council.

4.3 MARKET VALUE**Date of Valuation**

7th February 2011.

Valuation Methodology

In valuing on-going developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM40,000,000.

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (All Based on Remaining Value / Cost)

Gross Development Value	RM194,488,570 (Note 1)
Gross Development Cost (including Developer's Profit)	RM145,086,955 (remaining)
Preliminaries & Infrastructure	RM20.06 psf / Total Land Area
Main Building Works	RM268.64 psf / Total Gross Built-up Area
Developer's Profit	15% of GDV
Development Period	Approximately 2½ years (Note 2)
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted an average selling / sales price of RM878 per square feet to be fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding areas. Selected comparable sales are Kiara Hills (2-storey stratified detached house selling from RM887 psf to RM903 psf), Villa Mont' Kiara (3-storey stratified detached house selling from RM1,042 psf) and Aman Kiara (2.5-storey stratified detached house selling from RM1,116 psf).

Launch date of Sunway Rymba Hills was in May 2010.

Note 2: Development Period

We note that the development of the subject property has commenced. Hence, we have adopted a development period of 2½ years in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 58486, Locality of Bt 2 Jalan Damansara
Mukim and District of Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Reference No.: V/11/0030(D)/Itk

**5.0 VALUATION CERTIFICATE****5.1 IDENTIFICATION OF PROPERTY**

Type of Property A parcel of residential development land with benefit of planning approval.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot No. :	Lot No. 58486, Locality of Bt 2 Jln Damansara, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Land Area :	12,778 square metres.
Tenure :	Interest in perpetuity.
Registered Proprietor:	Sunway Damansara Sdn Bhd (A subsidiary of Sunway City Berhad).
Category Of Land Use:	'Bangunan'.

5.2 PROPERTY DESCRIPTION**Property Description / Location**

The subject site is a corner plot, near rectangular in shape and having a land area of 12,778 square metres (137,541 square feet). The Subject Property is located within an exclusive and established residential enclave known as Taman Duta.

At the date of our inspection, we note that the subject site accommodates 5 dilapidated three-storey detached houses. However, the highest and best use of the Subject Property is as a parcel of residential redevelopment site.

Planning Approval

We note that the Subject Property is located within an area zoned for residential use with a permissible density of 10 persons per acre.

The Subject Property has been granted a conditional approval for the demolition of the existing 5 units of three-storey detached houses and redevelopment of a guarded residential development comprising 8 stratified units of 3-storey detached houses of which each accommodates a basement level and a swimming pool vide a Development Order issued by Kuala Lumpur City Hall dated 25th September 2008.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 58486, Locality of Bt 2 Jalan Damansara
Mukim and District of Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur



Reference No.: V/11/0030(D)/Itk

5.3 MARKET VALUE

Date of Valuation 8th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison Method** of Valuation. We have considered the Comparison Method as the principal approach in our valuation.

Market Value RM35,500,000.

Sales Comparison and Analysis			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot Nos. 9989 and 9990 and Lot No. 139, Section 71, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot Nos. 4802 and 4803 both within Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot No. 63, Section 71, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Locality	Bukit Tunku	Bukit Tunku	Bukit Tunku
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Consideration	RM23,163,037.00	RM16,357,605.34	RM9,023,448.00
Date	2 nd April 2010	5 th August 2009	12 th June 2008
Property Type	3 adjoining parcels of residential development land	2 adjoining parcels of residential development land	A parcel of residential development land
Planning	Residential, 10 persons per acre	Residential, 10 persons per acre	Residential, 10 persons per acre
Analysis	RM280 psf	RM224 psf	RM240 psf
Adjustments	Upward adjustments are made for the time lapse, shape and accessibility. Downward adjustments are made for the differences in land size, terrain and location.	Upward adjustments are made for the time lapse, shape and terrain. Downward adjustments are made for differences in land size, location and view.	Upward adjustments are made for the time lapse shape and location. Downward adjustments are made for differences in land size, terrain and view.
Effective Adjusted Value	RM265 psf	RM258 psf	RM274 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM258.00 per square foot to RM274.00 per square foot. In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 as it has significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM258.00 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. PT 372 to PT 376 (inclusive)
All within Pekan Baru Sungai Buloh, District Of Petaling
Selangor Darul Ehsan

Reference No. : V/11/0030(E)(i)/nmk

6.0 VALUATION CERTIFICATE

6.1 IDENTIFICATION OF PROPERTY

Type of Property Five (5) contiguous parcels of vacant commercial land.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos.	: Lot Nos. PT 372 to PT 376 (inclusive), all within Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
Total Land Area	: 5.7376 hectares.
Tenure	: Leasehold interest for a term of 99 years, expiring on 23 rd November 2100, in respect of all the titles.
Registered Proprietor*	: Perbadanan Kemajuan Negeri Selangor, in respect of all the titles.
Category Of Land Use	: 'Bangunan'.

Notes :

* Perbadanan Kemajuan Negeri Selangor (PKNS) and Sunway City Berhad (SCB) signed a Shareholder Agreement and a Sale and Purchase Agreement. The shareholder agreement sets up Sunway Damansara with stake of 60% by SCB and 40% by PKNS.

The Sale and Purchase Agreement is for the sale of 345 acres of land from PKNS to Sunway Damansara Sdn Bhd (SDSB) and PKNS granted Power of Attorney to SDSB for development of the aforesaid land.

6.2 PROPERTY DESCRIPTION

Property Description / Location The subject property is located within PJU 5 of Kota Damansara.

Collectively, the subject site is regular in shape with a total land area of 5.7376 hectares. The site is generally flat in terrain and lies higher than the frontage reserved road and Jalan PJU 5/1. The site boundaries are not demarcated by any form of fencing with the exception of the northern site boundary of PT 372 which is demarcated by metal hoardings.

At the date of our inspection, we note that the subject site is generally covered with light undergrowth.

At the date of inspection, we note that an existing Sales Gallery was constructed on PT 376. The highest and best use of the subject site is as a parcel of commercial redevelopment site and as such we have excluded the value of the building erected thereon.

Planning Approval The Subject Property is designated for commercial use with a permissible plot ratio of 1:3.9.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. PT 372 to PT 376 (inclusive)
All within Pekan Baru Sungai Buloh, District Of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(E)(i)/hmk

6.3 MARKET VALUE

Date of Valuation	7 th February 2011.
Valuation Methodology	For the purpose of this valuation, we have adopted the Comparison Method of Valuation as the principal approach in our Valuation.
Market Value	RM148,000,000

Sales Comparison and Analysis			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot Nos. PT 44016 and PT 44017 held under Title Nos. HSD 222400 and HSD 222401 both within Mukim of Sungai Buluh, District of Petaling, Selangor Darul Ehsan	Title No. HSD 237769 Lot No. PT 9793 Pekan Baru Sungai Buloh District of Petaling Selangor Darul Ehsan	Title No. HSD 112757 Lot No. PT 1425 Mukim Sungai Buluh District of Petaling Selangor Darul Ehsan
Locality	Bandar Damansara Perdana	Kota Damansara	Fronting onto Jalan PJU 1A/20 Ara Damansara
Tenure	Leasehold Interest	Leasehold Interest	Interest in perpetuity
Land Area (Square Feet)	1,159,774.	204,903.	209,443.
Consideration	RM240,000,000.	RM40,979,282.	RM34,556,940.
Date	29 th December 2009	10 th December 2009	10 th November 2009
Property Type	Two parcels of vacant commercial land	A parcel of vacant commercial land	A parcel of vacant commercial land
Planning	Commercial	Commercial	Commercial
Analysis	RM207 psf	RM200 psf	RM165 psf
Adjustments	Upward adjustments are made for prevailing market condition, shape and land area. Downward adjustment are made for location and exposure.	Upward adjustments are made for prevailing market condition and exposure.	Upward adjustments are made for prevailing market condition, location, integrated development and exposure. Downward adjustment is made for tenure.
Effective Adjusted Value	RM239 psf	RM231 psf	RM227 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM227 per square foot to RM239 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 as it is significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM230 per square foot for the intermediate lot (PT 372 to PT 375) and RM276 per square foot for the corner lot (PT 376, after 20% upward adjustment) in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. PT 876 and PT 958
Both within Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(E)(ii)/nmk

7.0 VALUATION CERTIFICATE**7.1 IDENTIFICATION OF PROPERTY****Type of Property**

Two (2) parcels of vacant commercial land designated for Petrol Station and Food Court use respectively.

Title Particulars

The following table outlines the title particulars of the Subject Properties.

Summary of Title Particulars

Lot Nos.	: Lot Nos. PT 876 and PT 958, both within Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan.
Total Land Area	: 6,015.80 square metres.
Tenure	: Leasehold interest for a term of 99 years, expiring on 5 th June 2105, in respect of both titles.
Registered Proprietor*	: Perbadanan Kemajuan Negeri Selangor, in respect of both titles.
Category Of Land Use	: 'Bangunan'.

Notes :

* Perbadanan Kemajuan Negeri Selangor (PKNS) and Sunway City Berhad (SCB) signed a Shareholder Agreement and a Sale and Purchase Agreement. The shareholder agreement sets up Sunway Damansara with stake of 60% by SCB and 40% by PKNS.

The Sale and Purchase Agreement is for the sale of 345 acres of land from PKNS to Sunway Damansara Sdn Bhd (SDSB) and PKNS granted Power of Attorney to SDSB for development of the aforesaid land.

7.2 PROPERTY DESCRIPTION**Property Description / Location**

The subject properties are located within Sunway Damansara, Seksyen 12 of Kota Damansara. Sunway Damansara.

Lot PT 876 faces east and enjoys a direct frontage measuring about 173.03 metres onto Jalan PJU 3/31 and a return frontage measuring about 24.59 metres onto Jalan PJU 3/38. The subject site is generally flat in terrain and lies slightly higher than the frontage metalled road, Jalan PJU 3/31.

The site boundaries are not demarcated by any form of fencing with the exception of the south and south-western site boundaries which are demarcated by plastered brickwalls fencing.

At the date of our inspection, we note that the subject site is generally covered with light undergrowth.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. PT 876 and PT 958
Both within Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(E)(ii)/nmk

Property Description / Location (Cont'd) Lot PT 958 faces north and enjoys a direct frontage of about 19.81 metres onto the frontage metalled road, Jalan PJU 3/39 with a splayed north-eastern corner and a return frontage of about 49.80 metres onto Jalan PJU 3/38.

The subject site is generally flat in terrain and lies slightly higher than the frontage metalled road, Jalan PJU 3/38. The site boundaries are not demarcated by any form of fencing with the exception of the south-eastern site boundary which is demarcated by a plastered brickwall.

At the date of our inspection, we note that the subject site is generally overgrown with thick vegetation and trees.

Planning Approval In accordance to the Approved Master Pre-Computation Plan of Section 12 Pusat Bandar Sungai Buloh dated 24th December 1996, we note that Lot PT 876 and PT 958 are designated for Petrol Station and Food Court use respectively.

7.3 MARKET VALUE

Date of Valuation 7th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison Method** of Valuation as the principal approach in our Valuation.

Market Value

PT 876	-	RM7,700,000.
PT 958	-	RM1,700,000.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. PT 876 and PT 958
Both within Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(E)(ii)/nmk

Sales Comparison and Analysis – Lot PT 876 (Vacant Commercial Land Designated for Petrol Station Use)			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot Nos. 37196 & 37197 both within Bandar Sri Damansara District of Petaling Selangor Darul Ehsan	Lot No. PT 1773 Mukim and District of Petaling Selangor Darul Ehsan	Lot No. PT 78876 Mukim and District of Petaling Selangor Darul Ehsan
Locality	Sited along Persiaran Perdana, Bandar Sri Damansara, Selangor	Sited along Jalan Petaling Utama 7 (Jalan PJS 1/50) Taman Petaling Utama Selangor Darul Ehsan	Sited within Puchong Gateway, Puchong Selangor
Tenure	Interest in Perpetuity	Leasehold Interest	Leasehold Interest
Land Area (square metre)	3,449	4,144	5,721
Consideration	RM7,722,000	RM5,263,508	RM7,287,320
Date	23 rd June 2009	18 th June 2008	5 th March 2008
Property Type	A parcel of vacant commercial land designated for petrol station use	A parcel of vacant commercial land designated for petrol station use	A parcel of vacant commercial land designated for petrol station use
Planning	Commercial	Commercial	Commercial
Analysis	RM208 psf	RM118 psf	RM118 psf
Adjustments	Upward adjustments are made for prevailing market condition. Downward adjustment is made for location, tenure and traffic flow.	Upward adjustments are made for prevailing market condition and location.	Upward adjustments are made for prevailing market condition and location.
Effective Adjusted Value	RM153 psf	RM149 psf	RM150 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM149 per square foot to RM153 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 1 (Lot Nos. Lot Nos. 37196 & 37197) as it has significant similarities as the Subject Properties after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM153 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. PT 876 and PT 958
Both within Pekan Baru Sungai Buloh, District of Petaling
Selangor Darul Ehsan

Reference No. : V/11/0030(E)(ii)/nmk

Sales Comparison and Analysis – LOT PT 958 (Vacant Commercial Land Designated for Food Court Use)			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot No. 62224 Bandar Petaling Jaya District of Petaling Selangor Darul Ehsan	Lot No. PT 4065 Mukim of Damansara District of Petaling Selangor Darul Ehsan	Lot No. PT 11094 Mukim of Damansara District of Petaling Selangor Darul Ehsan
Locality	SS 6 Petaling Jaya Selangor Darul Ehsan	Sited along Jalan SS 6/1 SS 6 Petaling Jaya Selangor Darul Ehsan	Sited along Jalan Persiaran Perdagangan Bandar Sri Damansara
Tenure	Interest in Perpetuity	Interest in Perpetuity	Interest in Perpetuity
Land Area (Square Feet)	70,183.	21,798.	20,294.
Consideration	RM12,897,720.	RM4,307,670.	RM3,044,100.
Date	29 th May 2009	12 th August 2008	29 th July 2008
Property Type	A parcel of vacant commercial land	A parcel of vacant commercial land	A parcel of vacant commercial land
Planning	Commercial	Commercial	Commercial
Analysis	RM184 psf	RM198 psf	RM150 psf
Adjustments	Upward adjustments are made for prevailing market condition and land size. Downward adjustment is made for location, tenure and Planning Approval / Benefit.	Upward adjustments are made for prevailing market condition. Downward adjustment is made for location, tenure and Planning Approval / Benefit.	Upward adjustments are made for prevailing market condition. Downward adjustment is made for location, tenure and Planning Approval / Benefit.
Effective Adjusted Value	RM127 psf	RM124 psf	RM113 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM113 per square foot to RM127 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 (Lot No. PT 4065) and Comparable No. 3 (Lot No. PT 11094) as they have significant similarities as the Subject Properties after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM120 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 57450
Mukim and District of Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Reference No. : V/11/0030(F)/ltk

**8.0 VALUATION CERTIFICATE****8.1 IDENTIFICATION OF PROPERTY**

Type of Property An ongoing 228-unit condominium development known as Sunway Vivaldi Mont' Kiara.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos.	: Lot No. 57450, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Land Area	: 31,200 square metres.
Tenure	: Interest in perpetuity.
Registered Proprietor	: Sunway D'Mont Kiara Sdn Bhd (A subsidiary of Sunway City Berhad).
Category Of Land Use	: 'Bangunan'.

8.2 PROPERTY DESCRIPTION**Property Description / Location**

Sunway Vivaldi Mont' Kiara is an ongoing 228-unit condominium development located along Jalan 19/70A, Taman Sri Hartamas, Kuala Lumpur.

Brief development details are tabulated as follows:-

Type	Net Saleable Area Per Unit (Square Feet)	Total Units	Developer's Selling Price*	Take Up Rate	Total Sales Revenue / Progress Payment Billed	Stage of Completion
A/A1/A2	3,466 to 4,198	54	RM2,640,715 to RM3,853,000 (RM762 psf to RM955 psf)	30.70%	RM195,946,528 / RM139,024,932	71.48%
B/B1/B2/B3	3,660 to 5,748	54	RM2,400,000 to RM4,613,000 (RM656 psf to RM944 psf)			
C/C1/C2	3,983 to 4,047	54	RM3,235,000 to RM3,743,116 (RM812 psf to RM940 psf)			
D/D1	2,573	54	RM2,098,550 to RM2,652,000 (RM816 psf to RM1,031 psf)			
Penthouse A and B	9,085 to 9,946	6	RM7,437,000 to RM8,668,750 (RM819 psf to RM872 psf)			
Sky Villa	5,490	6	RM4,603,000 to RM4,717,000 (RM838 psf to RM859 psf)			

* Developer's selling price is subject to promotional & bumiputra discounts.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot No. 57450
Mukim and District of Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

Reference No. : V/11/0030(F)/ltk

Planning Approval

The Subject Property is designated for residential use and was granted a conditional development order and building plan approval vide the approval letters dated 24th February 2011 and 21st October 2010 respectively, both issued by the Kuala Lumpur City Hall.

**8.3 MARKET VALUE****Date of Valuation**

8th February 2011.

Valuation Methodology

In valuing ongoing developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM258,000,000.

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (All Based on Remaining Value / Cost)

Gross Development Value	RM450,354,196 (Note 1)
Gross Development Cost	RM308,667,805
Piling and Substructure	RM130.96 psf / Land Area
Building Construction Cost	Average RM314.21 psf / Net Saleable Area (Contract)
Developer's Profit	15% of GDV
Development Period	Approximately 0.75 years (Note 2)
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted an average selling / sales price of RM682 per square foot to be fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding areas. Selected comparable sales of condominium adopted in arriving at the GDV are 10 Mont' Kiara (from RM584 psf to RM660 psf), Hijauan Kiara (from RM619 psf to RM635 psf), Kiaramas Ayuria (from RM534 psf to RM558 psf), Tiffani Kiara (from RM542 psf to RM571 psf), Kiaraville (from RM483 psf to RM602 psf) and Mont'Kiara Banyan (from RM513 psf to RM575psf).

Launch date of Sunway Vivaldi was in April 2008.

Note 2: Development Period

We note that the development of the subject property is nearing completion. Hence, we have adopted a development period of 0.75 years in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

9.0 VALUATION CERTIFICATE

9.1 IDENTIFICATION OF PROPERTY

Property Identification	Completed, unsold and on-going developments as well as vacant development lands, all located within Sunway South Quay, Bandar Sunway, Selangor Darul Ehsan.
Type of Property	Sunway South Quay is an exclusive on-going lakeside development consisting of 49 units completed and unsold stratified detached homes, an on-going development known as A'marine as well as 13 vacant commercial and residential development lands encompassing over a total land area of about 356,822 square metres. Sunway South Quay forms part of a 324-hectare (800-acre) "Resort-within-a-City" integrated tourism development, the Sunway Integrated Resort City.
Title Particulars	<p>Lot Nos: Lot Nos. PT 885, PT 887, PT 892, 62631, 62634, 62635, 62637 to 62640 (inclusive), 62646, 62649, 62651, 62654, 65656, 62658 and 62663, all held under Bandar Sunway, District of Petaling, Selangor Darul Ehsan.</p> <p>Registered Proprietors: Sunway Lagoon Sdn Bhd (A wholly-owned subsidiary of Sunway City Berhad), Sunway City Berhad & Sunway South Quay Sdn Bhd (A subsidiary of Sunway City Berhad).</p> <p>Tenure: Leasehold interests expiring on 5th July 2104, 2nd April 2106 & 15th May 2106.</p> <p>Category of Land Use: Building.</p>

9.2 PROPERTY DESCRIPTION

Property Description / Location	Sunway South Quay is strategically located within the established Bandar Sunway and is easily accessible through 6 major highways, namely KESAS Highway, Lebuhraya Damansara Puchong (LDP), New Pantai Expressway (NPE), Federal Highway, NKVE and ELITE Highways.
----------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

9.2.1 Completed and Unsold Properties

- A. 49 units of completed and unsold 2 to 3-storey stratified detached houses sited on Parent Lot No. 62651 (formerly PT 916) known as Bayrocks (Launched in 2007)

Type	No. of Units	Built Up Area (sm)	Brief Description	Planning
Aquara (2-storey)	2	619	Bayrocks is a lakefront development consisting of 77 units of 2 to 3-storey stratified detached homes or better known as garden waterfront villas. Each and every unit has its own plunge pool and unobstructed view of the Sunway South Quay lake. The development is also complemented by its own clubhouse facilities. Bayrocks is located at the middle portion of Sunway South Quay and it is accessible directly from the main access road of Sunway South Quay which is linked to Jalan PJS 9/1.	Bayrocks have been issued with two Certificates of Fitness for Occupation by Majlis Perbandaran Subang Jaya dated 21 st September 2010 and 9 th November 2010.
Bayuna (3-storey)	19	619, 628 & 645		
Currentia (2-storey)	20	619		
Dalluria (3-storey)	8	601		
Total	49	30,366		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

9.2.2 Properties Under Construction**B. 242 units of condominium under construction known as A'marine sited on Lot No. 62663 (formerly PT 917) also known as RC3**

Lot No.	Land Area (sm)	Property Specifications	Planning
62663 (formerly PT 917)	13,958	No. of Units: 242 Total GFA (sm): 44,656.35 Net Saleable Area (sm): 37,060.30 Standard built up (sm): 132.5 – 263.5 No. of car parks: 534 bays No. of blocks: 2 (A and B)	RC3 has been granted planning permission and building plan approvals by Majlis Perbandaran Subang Jaya vide letters dated 9 th June 2010 and 22 nd September 2010.

The site is regular in shape and generally flat in terrain. As at the date of inspection, we note that piling and substructure works on the site are in progress. The main buildings will be constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally. The ceilings within the units are generally of cement plaster whilst the floor finishes are generally of ceramic tiles. Launch date was in October 2010 with a sales rate of about 72%.

Developer's Selling Price	Take Up Rate	Total Sales Revenue / Progressive Payment Billed	Stage of Completion
About RM585 psf	71.90%	RM213,914,528 / RM33,345,000	0.08%

9.2.3 Residential and Commercial Development Lands

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning
C. A parcel of residential development land			
62639 (formerly PT 915) RC1	26,883	This site is a corner parcel of residential development land, near trapezoidal in shape, generally flat in terrain and lies at about the same level as the main access road.	*Approved for residential development with a density of 70 units per acre.
D. A parcel of residential development land			
62640 (formerly PT 914)	26,711	RC2 comprises two parcels of residential and commercial lands, forms a corner plot and is regular in shape and generally flat in terrain.	RC2 has been granted planning permission approval for 3 blocks of condominium (472 units) together with a 3-storey basement car park along with other facilities and amenities therein vide a planning approval letter dated 10 th January 2011.
PT 855 Collectively RC2	809		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning	
E. A parcel of residential development land approved for condominium development known as LaCosta				
Lot No. 62658 (formerly PT 919) RC5	21,813	RC5 is irregular in shape, generally flat in terrain and lies higher than the access road.	RC5 has been granted planning permission and building plan approvals by Majlis Perbandaran Subang Jaya vide letters dated 6 th November 2008 and 24 th January 2011.	
F. A parcel of residential development land				
Lot No. 62656 (formerly PT 920) RC6	14,218	This site is rectangular in shape. It fronts onto and lies below the internal paved access road with some of the rear (northern) portion of the site sloping down towards the lake.	*Approved for residential development with a density of 70 units per acre.	
G. A parcel of residential development land				
Lot No. 62654 (formerly PT 921) RC7	11,734	This site is fairly irregular in shape that curves along the paved access road. It fronts onto and lies below the internal paved access road with some of the rear (northern) portion of the site sloping down towards the lake.		
H. A parcel of residential development land				
Part of Lot No. 62631 (formerly PT 908) RC9	23,148	This site is irregular in shape. Lot No. 62631 has a title land area of 26,981 square metres. However, based on the latest approved master layout plan for Sunway South Quay, RC9 is proposed for condominium development with a total land area of 23,148 square metres.		
I. A parcel of commercial development land				
Lot No. 62637 (formerly PT 912) CP3	23,447	The site is rectangular in shape and fronts onto Jalan Lagoon Selatan with some of the rear (south western) portion of the site sloping down towards the lake.		
J. Vacant commercial development land				
62634, 62635, 62649, part of 62631 and state land (formerly PT 909, PT 910, PT 911, part of 908 respectively) CP1	53,378	This site is formed by combination of four lots and proposed re-alienation of state land. When combined, it is irregular in shape, with some portions having flat terrain with the exception of the rear (southern) portion which slopes down towards the lake.	*Approved for commercial development with a plot ratio of 1:4.	

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning
K. A parcel of commercial development land			
Lot No. 62638 (formerly PT 913) CP4	17,113	This is a corner plot and rectangular in shape. It fronts onto Jalan Lagoon Selatan with a return frontage onto Jalan PJS 9/1. The site is generally flat in terrain and is partially cleared.	*Approved for commercial development with a plot ratio of 1:4.
L. A parcel of commercial development land			
PT 892 and water tank reserve PU2	25,333	This is an end plot and rectangular in shape. It has a title land area of 23,028 square metres. The site is proposed for amalgamation with the site of water tank reserve and the combined area will be about 25,333 square metres. The site has a direct frontage onto Jalan Lagoon Selatan and next to a service road and a monsoon drain on the western and eastern (side) boundaries respectively.	**Pembangunan Akan Datang" (Commercial land reserved for future development)
M. A parcel of commercial development land currently accommodating a sales gallery			
PT 887 (A'marine & LaCosta Sales Gallery)	6,394	This is a corner plot and is irregular in shape. The front portion is generally flat, located above the internal road level.	Designated for commercial development as expressly stipulated in the title document.
N. A parcel of commercial development land			
Lot No. 62646 (Formerly PT 922)	4,368	This is a corner plot and rectangular in shape. It fronts onto the internal paved access road and is partially flat at its middle and eastern portions with steep terrain at its western site boundary.	*Reserved for open space and sewerage treatment plant (STP)
Total Land Area	269,307 square metres	(excluding parent lot of Bayrocks)	
	356,822 square metres	(including parent lot of Bayrocks)	

***Master Planning Approval**

The amended master layout plan for Sunway South Quay had been approved by the Majlis Perbandaran Subang Jaya dated 9th June 2010.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

Date of Valuation 9th February 2011.

Valuation Methodology

In arriving at our opinion of the Market Value of the undeveloped parcels, we have used the Comparison Method. We have also used the Residual Method as a check in valuing the undeveloped parcels. In valuing on-going developments which are under construction, the primary method is the Residual Method. In arriving at the Gross Development Value under the Residual Method, we have used the Comparison Method.

We have identified and analyzed the recent transactions of commercial and residential land sales in the vicinity of Sunway South Quay as well as recent Bayrocks transactions and have summarized the details and our approach in the following tables.

Market Value RM637,900,000.

9.3.1 Completed and Unsold Properties

- A. 49 units of completed and unsold 2 to 3-storey stratified detached houses sited on Parent Lot No. 62651 (formerly PT 916) known as Bayrocks

Sales Comparison and Analysis of Bayrocks Stratified Detached House Sales in Sunway South Quay			
	Comparable 1	Comparable 2	Comparable 3
Location	No. 22, Type Currentia, Bayrocks, Sunway South Quay	No. 27, Type Bayuna, Bayrocks, Sunway South Quay	No. 40, Type Aquara, Bayrocks, Sunway South Quay
Tenure	Leasehold expiring on 15 th May 2106	Leasehold expiring on 15 th May 2106	Leasehold expiring on 15 th May 2106
Type of Property	2-storey stratified detached house	3-storey stratified detached house	2-storey stratified detached house
Land Area	832 square metres	797 square metres	1,054 square metres
Built Up	619 square metres	628 square metres	619 square metres
Consideration	RM5,514,550	RM5,439,250	RM6,716,000
Date	30 th June 2010	18 th November 2010	28 th August 2009
Analysis (over built up area)	RM8,908.80 psm (RM828 psf)	RM8,661.23 psm (RM805 psf)	RM10,849.75 psm (RM1,008 psf)
Adjustments	General upwards adjustments have been made for extra land and corner/end lot premium. General downward adjustments are made for en bloc discount, saleability and other rebates.		
Effective Adjusted Base Values	RM580 – RM900 psf		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

9.3.2 Properties Under Construction**Residual Method
of Valuation**

B. 242 units of condominium under construction known as A'marine sited on Lot No. 62663 (formerly PT 917) also known as RC3

Summary of Parameters

Gross Development Value	RM534 to RM543 psf over total saleable area (Note 1)
Gross Development Cost	RM155,817,899
Localized Infra & Earthworks	RM10 psf over total land area
Main Building Works	RM282 psf over total saleable area (contract)
Developer's Profit	15% of GDV
Development Period	2.5 years (Note 2)
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We note that the transacted and asking prices of condominiums in Sunway South Quay and the surrounding vicinity range from RM420 psf to RM640 psf.

Note 2: Development Period

We have adopted a development period of 2.5 years taking into consideration that piling and substructure works have commenced.

In using the Residual Method of Valuation as a check in valuing the undeveloped parcels, we have adopted the following parameters:-

Parcel (Property)	RC1 (C)	RC2 (D)	RC5 (E)	RC6 (F)	RC7 (G)	RC9 (H)	PU2 (L)
Gross Development Value	RM560	RM560	RM560	RM550	RM540	RM510	RM550
Localized Infra & Earthworks	RM30	RM30	RM35	RM50	RM50	RM45	RM20
Main Building Works (Over saleable area)	RM282	RM284	RM286	RM290	RM288	RM275	RM279
Developer's Profit	15% of GDV						
Development Period	3 years						
Discount Rate	8%						

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

9.3.3 Residential and Commercial Development Lands

Sales comparison and analysis of residential & commercial development land sales in the vicinity of Sunway South Quay for comparison with residential development lands (Properties C – H)			
	Comparable 1	Comparable 2	Comparable 3
Identification	PT 6856 (Lot No. 37799), HSD 96905, District of Petaling, Selangor Darul Ehsan	Lot No. 64681, PN 17395, Pekan Penaga, District of Petaling, Selangor Darul Ehsan	PT 13361, HSM 12798, District of Petaling, Wilayah Persekutuan Kuala Lumpur
Location	Off Jalan Sri Jati, Off Jalan Puchong	Off Jalan PJS 9/1, Bandar Sunway	Along Jalan Senang Ria, OUG
Tenure	Freehold	Leasehold expiring 21st March 2093	Freehold
Type of Land	A vacant parcel of residential land approved for condominium development known as Residence 8 (308 units, 136 units per acre)	A vacant parcel of commercial land	A corner residential land with an on-going luxury condominium development (earthworks) known as Serenia Condominium (465 units, 72 units per acre)
Land Area	9,150 square metres	38,155 square metres	26,060 square metres
Consideration	RM15,000,000	RM56,000,000	RM38,000,000
Date	11 th February 2010	23 rd November 2009	14 th August 2009
Analysis	RM152 psf	RM136 psf	RM135 psf
Planning	Development order and building plan approved for development of Residence 8 consisting of 308 condominium units with selling price ranging from RM385,000 to RM600,000. The site is an end lot, located in an internal area, with some light undergrowth.	Consideration is free from all liens, charges, encumbrances together with vacant possession and an express condition that the land will be used for the development of commercial building with plot ratio of 4.	Development order for 465 units of condominium with density of 72 units per acre or approved plot ratio of 3. The site is a corner lot fronting Jalan Senang Ria with a return frontage onto Jalan Selesa Ria 7 and slopes down towards the rear.
Adjustments	General upward adjustments are made for time, location, micro location, accessibility, integrated development and shape. General downward adjustments are made for size, terrain and planning provision.	General upward adjustments are made for time, integrated development, size and shape. General downward adjustments are made for terrain and planning provision.	General upward adjustments are made for time, location, accessibility, integrated development, micro location, shape and size. General downward adjustments are made for tenure and terrain.
Effective Adjusted Values for various residential lands in Sunway South Quay	RM112 – RM168 psf	RM127 – RM165 psf	RM134 – RM179 psf

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

Sales comparison and analysis of commercial development land sales in the vicinity of Sunway South Quay for comparison with commercial development lands (Properties I – M)			
	Comparable 1	Comparable 2	Comparable 3
Identification	PT 70 & PT 71, HSD 199317 & HSD 199318 respectively, Town of Petaling Jaya, District of Petaling, Selangor Darul Ehsan	Lot Nos. 32, 51175 and PT 1312, PN 9495, 9500 and HSD 259957 respectively, Town of Sunway, District of Petaling, Selangor Darul Ehsan	Lot No. 64681, PN 17395, Pekan Penaga, District of Petaling, Selangor Darul Ehsan
Location	A vacant parcel of commercial land currently used as a car park	Transaction excludes the building, namely Sunway Pyramid Shopping Mall erected upon the lands, on the basis as a vacant commercial land	Off Jalan PJS 9/1, Bandar Sunway
Tenure	Leasehold expiring on 7th April 2103	Leasehold expiring 1st April 2097	Leasehold expiring 21st March 2093
Type of Land	A plot of commercial land	A plot of commercial land	A vacant parcel of commercial land
Land Area	38,850 square metres	19,406 square metres	38,155 square metres
Consideration	RM61,720,547.95	RM41,774,000	RM56,000,000
Date	27 th July 2010	7 th May 2010	23 rd November 2009
Analysis	RM148 psf	RM200 psf	RM136 psf
Planning	Site is zoned for limited commercial. It is located in an internal area with small road frontage onto Jalan 51A/223. Northern boundary abuts onto elevated Putra LRT line and TNB transmission line.	Despite being a related party transfer, we have included the sale as part of our analysis because we are of the opinion that the consideration is within the range of transacted commercial lands in the vicinity.	Consideration is free from all liens, charges, encumbrances together with vacant possession and an express condition that the land will be used for the development of commercial building with plot ratio of 4.
Adjustments	General upward adjustments are made for time, micro location, accessibility, integrated development, shape and size. General downward adjustments are made for location and terrain.	General upward adjustments are made for time and shape. General downward adjustments are made for location, accessibility, size and terrain.	General upward adjustments are made for time, micro location, integrated development, shape and size. General downward adjustments are made for terrain.
Effective Adjusted Values for various commercial lands in Sunway South Quay	RM147 – RM201 psf	RM105 – RM178 psf	RM135 – RM187 psf

Valuation Rational

In reconciling our opinion of Market Value for commercial and residential development lands, we have placed greater emphasis on Lot No. 64681 (Comparable No. 3 for commercial lands comparison and Comparable No. 2 for residential lands comparison) as they are located within the same Bandar Sunway locality and have significant similarities with the properties under valuation after making the necessary adjustments.

Having regard to the foregoing, we have adopted the analysed value of about RM135 to RM187 per square foot for commercial development lands and RM127 to RM165 per square foot for residential development lands in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (*cont'd*)**Knight Frank**

Sunway South Quay
Bandar Sunway, District of Petaling
Selangor Darul Ehsan



Reference No. : V/11/0030(G)/cth

10.0 VALUATION CERTIFICATE**10.1 IDENTIFICATION OF PROPERTY****Type of Property**

Two (2) parcels of vacant development land with the benefit of planning approval for the development of Sunway Melawati, a stratified guarded and gated residential development comprising 57 units of three-storey terraced houses, 50 units of three-storey semi-detached houses, 88 units of three-storey zero end detached houses and a double-storey clubhouse.

Title Particulars

The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos.	Lot Nos. 30086 and 30087, both within Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Land Area :	228,490 square metres (22.85 hectares).
Registered Proprietor :	Sunway Melawati Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad), in respect of both titles.
Category Of Land Use:	'Bangunan', in respect of both titles.

10.2 PROPERTY DESCRIPTION

Property Description / Location Sunway Melawati is located about 10 kilometres due north-east of the Kuala Lumpur city centre and fronts onto the Middle Ring Road II (MRR II), travelling to / from Gombak towards Ampang.

Lot Nos. 30086 and 30087 are regular shaped parcels of land with title land areas of 183,900 and 44,590 square metres respectively. The terrain of the site slope upwards from the MRR II towards the north-eastern site boundary. Part of the south-eastern site boundary is demarcated by chain link fencing whilst other site boundaries are not demarcated with any form of fencing.

The subject site is currently overgrown with trees and vegetation.

Planning Approval

The Subject Property is designated for residential use and was granted a Development Order by the Kuala Lumpur City Hall dated 24th January 2011.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 30086 and 30087, Mukim of Setapak
Mukim of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Reference No. V/11/0030(H)/nmk



10.3 MARKET VALUE

Date of Valuation 8th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the Comparison and Residual Methods of Valuation.

Reconciliation of Values

Method of Valuation	Derivation of Values
Comparison Method	RM88,000,000
Residual Method	RM85,000,000

Market Value RM88,000,000.

Sales Comparison and Analysis				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Identification	Lot Nos. 5113 and PT 1157, Mukim of Ulu Kelang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot No. 15283 Seksyen 2, Bandar Ulu Kelang, District of Gombak, Selangor Darul Ehsan	Lot No. 322, Mukim of Ulu Kelang, District of Gombak, Selangor Darul Ehsan	Lot Nos. 584, 585 and 599, Mukim of Ulu Kelang, District of Gombak, Selangor Darul Ehsan
Locality	Taman Setiawangsa	Taman Melawati	Bukit Antarabangsa	Taman Melawati
Tenure	Leasehold Interest	Leasehold Interest	Freehold	Freehold
Consideration	RM69,584,486	RM72,000,000	RM26,457,473	RM23,081,494
Date	19 th November 2010	10 th August 2010	27 th July 2009	3 rd July 2007
Planning	Residential use	Residential use	Residential use	Residential use
Property Type	Two parcels of vacant development land	A parcel of vacant development land	A parcel of vacant development land	Three parcels of vacant development land
Analysis	RM48.01 psf	RM71.93 psf	RM53.00 psf	RM36.00 psf
Adjustments	Upward adjustments are made for planning approval and tenure Downward adjustments are made for shape/size, infrastructure availability, terrain and location	Upward adjustments are made for prevailing market condition and tenure Downward adjustments are made for shape/size, terrain and location	Upward adjustments are made for prevailing market condition and planning approval Downward adjustments are made for shape/size, terrain and location	Upward adjustments are made for prevailing market condition and planning approval Downward adjustments are made for shape/size, terrain and location
Effective Adjusted Value	RM36.01 psf	RM41.52 psf	RM36.44 psf	RM35.10 psf

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 30086 and 30087, Mukim of Setapak
Mukim of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Reference No. V/11/0030(H)/nmk

**Valuation Rational**

From the adjusted values, we note that the values derived range between RM35.10 per square foot to RM41.52 per square foot. In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 3 as it has significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM36.00 per square foot in our Valuation as a fair representation.

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters	
Gross Development Value	RM 545,704,427 (Note 1)
Gross Development Cost	RM 438,606,105.
Preliminaries & Infrastructure	RM45.71 psf / Total Land Area
Building Construction Cost	Average RM223.06 psf / Total Gross Built-up Area
Developer's Profit	15% of GDV
Development Period	3 years.
Discount Rate	8.00%.

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted the developer's selling price, which in our opinion is a fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding areas. Selected comparables sales adopted in arriving at the GDV are 20 Trees (3-storey terraced house sold at RM1,800,000), Kemensah Mewah (2.5-storey semi-detached house selling from RM1,850,000 to RM2,100,000) and 20 Trees West (4-storey detached house sold at RM3,736,000).

Summary of Gross Development Value (GDV)			
Description	No. of Units	Total Amount	Analysis (per unit)
Three-storey terraced houses	57		RM 1,614,796 and RM 1,638,906 per unit
Three-storey semi-detached houses	50	RM 545,704,427	RM 2,435,578 and RM 2,585,958 per unit
Three-storey bungalows	88		RM 3,405,389 to RM 5,141,091 per unit

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 30086 and 30087, Mukim of Setapak
Mukim of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

Reference No. V/11/0030(H)/nmk



11.0 VALUATION CERTIFICATE

11.1 IDENTIFICATION OF PROPERTY

Type of Property Two contiguous parcels of residential development land with main building works in progress (Phase 1), approved for the development of 4 blocks of apartment buildings comprising of 552 units, a club house and a multi-purpose hall together with other supporting facilities.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos. : Lot Nos. 62644 (formerly known as PT 923) and PT 895, both within Town of Sunway, District of Petaling, Selangor Darul Ehsan.

Total Land Area : 31,792 square metres.

Tenure : Leasehold interest for a term of 99 years, expiring on 2nd April and 15th May 2106.

Registered Proprietor : Lot No. 62644: Sunway Lagoon Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad).
Lot No. PT 895 Sunway City Berhad (as stakeholder for Sunway South Quay Sdn. Bhd.).

Category of Land Use: 'Bangunan" (Building).

11.2 PROPERTY DESCRIPTION

Property Description / Location The subject property is purposed built used as Monash University campus. The subject property is located within Sunway South Quay. Development for Phase 1 is currently on-going whilst Phase 2 is currently vacant.

Phase 1	Type	Units	Size Per Unit (sm)	Total Net Floor Area (sm)	Stage of Completion
Block A (21-Storey)	A1	248	172	42,656	51.22% (as at 10 th January 2011)
	A2	4	172	688	
Block B (8-Storey Duplex)	B1	21	175	3,675	
	B2	2	174	348	
	Type B1 with Garden Terrace	5	200	1,000	
Total		280		48,367	

Phase 2	Type	Units	Size Per Unit (sm)	Total Net Floor Area (sm)
Block C (8-Storey Duplex)	B1	72	175	12,600
Block D (20-Storey)	A1 & A2	200	172	34,400
Total		272		47,000

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 62644 (formerly known as PT 923) and PT 895
Both within Town of Sunway, District of Petaling, Selangor Darul Ehsan

Reference No. : V/11/0030(I)/gct



Planning

The Subject Property is designated for residential use.

Vide a photocopy of the Approval Letter issued by Majlis Perbandaran Subang Jaya, dated 15th April 2008, we note that the proposed building plans has been approved subject to terms and conditions as stated therein. Subsequently, vide a photocopy of the letter issued by Majlis Perbandaran Subang Jaya, dated 30th August 2010, we note that the amendment of the approved building plans has been approved as per the following:-

	Block	Storey	Units	Car Park (Storey)
Phase 1	Block A, Apartment Building	21	Type A: 248 units Type A2: 4 units	2
	Block B, Duplex Apartment Building	8	Type B1: 26 units Type B2: 2 units	2
Phase 2	Block C, Duplex Apartment Building	8	Type B1: 72 units	2
	Block D, Apartment Building	20	Type A1: 196 units Type A2: 4 units	3

Part of the 2-storey car park of Block C, two units of TNB substation, a guard house, a clubhouse, a multi-purpose hall, 2 units of shop, cafeteria, a gymnasium, a study room and a swimming pool.

11.3 MARKET VALUE

Date of Valuation

9th February 2011.

Valuation Methodology

In valuing developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM154,000,000.

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters	Phase 1	Phase 2
Gross Development Value	RM223,576,475 (Note 1)	RM217,538,621 (Note 1)
Gross Development Cost		
Preliminaries & Infrastructure	RM14.10 psf / Total Saleable Area	RM22.30 psf / Total Saleable Area
Building Construction Cost	RM245.05 psf / Total Saleable Area	RM241.15 psf / Total Saleable Area
Developer's Profit	15% of GDV	15% of GDV
Development Period	1 year (Note 2)	3 years
Discount Rate	8%	8%

Note 1: Gross Development Value

In arriving at the Gross Development Value, we have adopted **RM430 psf** (on en-bloc basis) to be fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding schemes. Selected comparables sales of en-bloc hostel/condominium building adopted in arriving at the GDV are HELP Residence (21-storey hostel building sold at RM329psf), Covillea Bukit Jalil (2 blocks of 20-storey building sold at RM403psf) and Nautica Condominium (249 apartment units sold at RM396psf).

Note 2: Development Period

We note that the development of the subject property is nearing completion. Hence, we have adopted a development period of 1 year in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Block B, Sun-U Residence, JalanPJS 11/26, Bandar Sunway
46150 Petaling Jaya, Selangor darul Ehsan.

Reference No. : V/11/0030(J)/gct

**12.0 VALUATION CERTIFICATE****12.1 IDENTIFICATION OF PROPERTY**

Name and Address	Block B, Sun-U Residence, Jalan PJS 11/26, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.
Type of Property	A block of 28-storey apartment building (en-bloc) identified as Block B comprising of 124 stratified apartment units together with 308 accessory parcels.
Title Particulars	The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars – Block B, Sun-U Residence

Lot No.:	Parent Lot No. 61771 held under Strata Title Nos. PN11816/M3/2/125, Parcel No. 125, Storey No. 2, Building No. M3 to PN11816/M3/25/248, Parcel No. 248, Storey No. 25, Building No. M3 (inclusive) together with 308 Accessory Parcels, all within Town of Sunway, District of Petaling, Selangor Darul Ehsan.
Tenure:	Leasehold interest for a term of 99 years, expiring on 1 st April 2097 (remaining unexpired term of about 86 years).
Total Share Unit:	2,151 / 4,403
Registered Proprietor :	Sunway Residence Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad).
Strata Floor Area :	Total Parcel Area (Block B): 17,271 square metres. Accessory Parcel Area : 3,696 square metres.

12.2 PROPERTY DESCRIPTION

Property Description / Location	Block B of Sun-U Residence is located within Bandar Sunway.
Total Accessory Parcels	308 accessory parcels.
Planning Approvals	The Subject Property is located within an area designated for residential use and issued with Certificate of Fitness for Occupation by the Subang Jaya Municipal Council dated 8 th January 2002.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Block B, Sun-U Residence, JalanPJS 11/26, Bandar Sunway
46150 Petaling Jaya, Selangor darul Ehsan.

Reference No. : V/11/0030(J)/gct

Property Performance

The following table outlines the historical operating performance of the Subject Property as extracted from the unaudited management accounts as provided by the Client.

Historical Operating Performance			
	Six Months Ended 31 st December 2008	2009	2010
Total Outgoings*	RM173,492.99	RM190,095.44	RM195,842.88
Total Gross Rental	RM1,444,800.00	RM2,889,600.00	RM2,889,600.00

Source: Sunway Residence Berhad

*Note: Excluding monthly service charge and sinking fund (payable to Management Corporation).

Tenancy Profile

The Subject Property is leased to Sunway Education Group Sdn. Bhd. for a period of 3 years with an option to renew thereafter for a further 3 years, commencing from 1st January 2011 and expiring on 31st December 2013 at a monthly rental of RM352,923.10.

12.3 MARKET VALUE

Date of Valuation

8th February 2011.

Valuation Methodology

For the purpose of this valuation, we have adopted the Comparison and Investment Methods of Valuation.

Reconciliation of Values

Method of Valuation	Derivation of Values
Comparison Method	RM55,000,000
Investment Method	RM55,000,000

Market Value

RM55,000,000.

Sales Comparison and Analysis of Apartment Buildings in Kuala Lumpur and Selangor			
	Comparable 1	Comparable 2	Comparable 3
Property	HELP Residence	Covillea Bukit Jalil	Nautica Condominium
Location	Damansara Heights	Bukit Jalil	Bandar Sunway
Tenure	Interest in perpetuity.	Interest in perpetuity.	Leasehold Interest
Built-Up Area(sf)	151,955	372,438	431,766
Consideration	RM50,000,000	RM150,000,000	RM171,000,000
Date	28 th December 2009	20 th October 2008	27 th December 2007
Source	Bursa Securities	Bursa Securities	News, The Star Newspaper dated 9th January 2008
Analysis	RM329psf	RM403 psf	RM396 psf
Adjustments	Upward adjustment is made for title, subject property is issued with strata title. Downward adjustment is made for location / accessibility, tenure and building condition	Upward adjustment is made for time and size. Downward adjustment is made for facilities / services, tenure and building condition.	Upward adjustment is made for time and size. Downward adjustment is made for facilities / services and building condition.
Effective Value	Adjusted Value RM308 psf	RM310 psf	RM296 psf

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Block B, Sun-U Residence, JalanPJS 11/26, Bandar Sunway
46150 Petaling Jaya, Selangor darul Ehsan.

Reference No. : V/11/0030(J)/gct



Valuation Rational

From the adjusted values, we note that the values derived range between RM296 per square foot to RM310 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 3 (Nautica Condominium) as it has significant similarities to the Subject Property after making the necessary adjustments for time, size, facilities & services and building condition.

Having regards to the foregoing, we have adopted the analysed value of about RM296.00 per square foot in our Valuation as a fair representation.

Investment Method of Valuation

Rental Rate

In undertaking our assessment of value under the capitalisation approach, we have adopted the current passing rental of the existing tenancy as a means of deriving the income and value for the Subject Property.

	Current Term	Reversion
Monthly Gross Rental	RM353,217	RM368,384

Our assessment of the market rental of the Subject Property under the reversionary term is based on the current asking rental of other apartment buildings in the surrounding vicinity. From our analysis, the adjusted derived rental rate ranged from RM1.89psf to RM2.12psf after making necessary adjustment for location / accessibility, furnishes, en-bloc, building condition and negotiation.

	Current Term	Reversion	Note
Outgoings	RM0.40psf	RM0.41psf	Adopted RM0.40psf and RM0.41psf per month for current term and reversion respectively to be fair representation.
Yield	6%	6%	The yields (after adjustments) of individual en-block apartment buildings in Klang Valley are between 5.85% to 6.8%. Adopted 6% for current and reversion to be fair representation.
Voids and Vacancy	5%	5%	Allocated 5% of the gross annual rental for voids, vacancy periods between rent reviews.
Present Value	6%	6%	Adopted 6% for discounting the future income into the present level under the reversionary period.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Monash University
 Jalan Lagoon Selatan (Jalan PJS 11/26)
 46150 Bandar Sunway, Selangor Darul Ehsan



Reference No. : V/11/0030(K)/osf

13.0 VALUATION CERTIFICATE**13.1 IDENTIFICATION OF PROPERTY**

Name and Address Monash University, Jalan Lagoon Selatan (Jalan PJS 11/26), 46150 Bandar Sunway, Selangor Darul Ehsan.

Type of Property A university campus accommodating six blocks of academic buildings identified as Blocks 2, 3, 5, 6A, 7 and 9, a maintenance building together with other ancillary buildings.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars, Monash University

Lot Nos. :	Lot Nos. 62630 (formerly Lot No. PT 907) and PT 894 (now known as Lot No. 62224), both within Town of Sunway, District of Petaling, Selangor Darul Ehsan.
Total Land Area :	48,382 square metres (520,780 square feet).
Tenure :	Leasehold interest for a term of 99 years, expiring 15 th May 2106 and 2 nd April 2106.
Registered Proprietors :	Lot 62630 : Sunway Lagoon Sdn Bhd (A wholly-owned subsidiary of Sunway City Berhad). PT 894 : Sunway City Berhad.
Category Of Land Use:	Building.

13.2 PROPERTY DESCRIPTION

Property Description / Location Monash University is a university campus located within Bandar Sunway.

Lettable Area 70,843.96 square metres (762,558 square feet).

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Monash University
 Jalan Lagoon Selatan (Jalan PJS 11/26)
 46150 Bandar Sunway, Selangor Darul Ehsan



Reference No. : V/11/0030(K)/osf

Nos. of Car Park 16 bays + 734 bays (as per the Car Park Agreement dated 1st September 2007).

However, we were given to understand by the Client that the aforesaid agreement has since lapsed and negotiation on the renewal lease terms and conditions are in process. Subsequent to the above, we were further informed by the Client that sufficient car park will be provided in the event that the aforesaid agreement is terminated.

Premised to the foregoing, our Valuation is on the basis that sufficient car parking bays will be provided throughout the remaining unexpired term of the lease.

Planning Approvals

The Subject Property is designated for commercial use. The buildings are issued with two Certificates of Fitness for Occupation by the Subang Jaya Municipal Council dated 16th February 2007 and 25th April 2007 respectively.

Property Performance

The following table outlines the historical operating performance of the Subject Property as extracted from the unaudited management accounts as provided by the Client.

Historical Operating Performance			
	Six Months Ended 31st Dec 2008	FYE 31st Dec 2009	FYE 31st Dec 2010
Total Outgoings	RM128,744.92	RM310,981.26	RM294,392.45
Total Gross Rental	RM7,074,000.00	RM14,619,600.00	RM14,855,400.00

Source: Sunway Platinum Success Sdn Bhd

Note: The above outgoings are excluding quit rent payments.

Tenancy Profile

The Subject Property is currently tenanted to Monash University Sunway Campus Malaysia for a period of 3 years commencing from 1st May 2010 to 30th April 2013 at a monthly rental tabulated as follows:-

1. Period 1st May 2010 to 30th April 2011: RM1,237,950.00
2. Period 1st May 2011 to 30th April 2013: RM1,299,850.00

13.3 MARKET VALUE

Date of Valuation 8th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Investment and Comparison Methods of Valuation**.

Reconciliation of Values

Method of Valuation	Derivation of Values
Investment Method	RM200,000,000
Comparison Method	RM202,000,000

Market Value RM200,000,000.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Monash University
Jalan Lagoon Selatan (Jalan PJS 11/26)
46150 Bandar Sunway, Selangor Darul Ehsan



Reference No. : V/11/0030(K)/osf

Investment Method of Valuation

	Average Gross Rental (Monthly)	Outgoings (Note 1)	Yield (Note 2)	Void (Note 3)	Present Value (Note 4)
Year 1	RM1,237,950.00	RM0.10 psf	7.00%	-	-
Year 2-3	RM1,299,850.00				7.00%
Reversion	RM1,372,604.00	RM0.11 psf	7.25%	5.00%	7.25%

Note 1: Analysis from the unaudited management accounts and information furnished by Client

Note 2: Analysis from existing yields of institutional buildings in Klang Valley

Note 3: Vacancy periods between rent reviews

Note 4: Discounting the future income into the present level

Sales Comparison and Analysis of Institutional Buildings in Selangor				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property	Universiti Tunku Abdul Rahman	SEGi University College	Mas Academy	SEGi Collage – Subang Jaya Campus
Location	Lot PT 21144, Jalan Sungai Long, Bandar Sungai Long, Cheras	Lot No. 9, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara	No. 2, Jalan SS 7/13, Kelana Jaya	Lot 13, Persiaran Kewajipan, USJ 1, Subang Jaya
Tenure	Freehold interest	Leasehold interest	Freehold interest	Freehold interest
Gross Floor Area(sf)	200,000	574,000	686,355	280,572
Consideration	RM30,000,000	RM145,000,000	RM145,000,000	RM52,500,000
Date	24 th March 2009	6 th September 2007	9 th March 2007	26 th February 2007
Analysis	RM150 psf	RM253 psf	RM211 psf	RM187 psf
Adjustments	Upward adjustments are made for time lapse/prevaling market condition, location, building age, building condition/quality/design and others (subject comparable was transacted together with the adjoining commercial land) Downward adjustments are made for tenure, size and risk relating to car park availability.	Upward adjustments are made for location and building condition/quality/design. Downward adjustments are made for building age and risk relating to car park availability.	Upward adjustments are made for time lapse/prevaling market condition, location, building age and building condition/quality/design. Downward adjustments are made for tenure and risk relating to car park availability.	Upward adjustments are made for time lapse/prevaling market condition, location, building condition/quality/design and others (subject comparable is on strata basis and without full campus facilities) Downward adjustments are made for tenure, building age, size and risk relating to car park availability.
Effective Value	Adjusted RM225 psf	RM265 psf	RM267 psf	RM237 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM225 per square foot to RM267 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 2 (SEGi College located at Kota Damansara) and Comparable No. 3 (Mas Academy located at Kelana Jaya) as they have significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM265.00 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway University College
 Jalan Universiti, Bandar Sunway
 46150 Petaling Jaya, Selangor Darul Ehsan

Reference No. : V/11/0030(L)/cgc

**14.0 VALUATION CERTIFICATE****14.1 IDENTIFICATION OF PROPERTY**

Name and Address	Sunway University College, Jalan Universiti, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.
Type of Property	A college campus accommodating a 5-storey academic building (South Building), a 7-storey academic building (North Building), a newly completed 3-storey academic building (East Building) and four blocks of 5-storey walk-up hostel apartments together with other ancillary buildings.
Title Particulars	The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars, Sunway University College

Lot Nos. :	Lot Nos. PT 28 and PT 1904 held under Title Nos. HS(D) 118332 and HS(D)118325 respectively, both within Town of Sunway, District of Petaling, Selangor Darul Ehsan.
Land Area :	50,313.7914 square metres (541,573 square feet).
Tenure :	Leasehold interests for a term of 99 years, expiring on 1 st April 2097, in respect of both titles.
Registered Proprietor :	Stellar Destiny Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad), in respect of both titles.
Category Of Land Use:	'Bangunan'.

14.2 PROPERTY DESCRIPTION**Property Description / Location**

Sunway University College is a college campus located within Bandar Sunway.

At the date of inspection, we note that the roof top of the 5-storey academic building (South Building) together with the 7-storey academic building (North Building) have been renovated to accommodate additional academic staff rooms and offices, lecture rooms, theatre and seminar / meeting room. We are given to understand by the Client that no application was submitted for the above changes. As such, we have excluded the abovementioned renovations in our valuation.

Subsequent to the above, we further note that additional ancillary buildings were to be erected on site. At the date of inspection, we note that the construction of the proposed double-storey building located adjacent to the South Building was near completion whilst the remaining two (2) proposed ancillary buildings are at early stages of construction (earthwork). For the purpose of this Report and Valuation, we have excluded the abovementioned buildings in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway University College
Jalan Universiti, Bandar Sunway
46150 Petaling Jaya, Selangor Darul Ehsan



Reference No. : V/11/0030(L)/cgc

Lettable Area 65,457.35 square metres (704,577 square feet).

Note:

After having taking into consideration of the differences in lettable area of the subject property as stated in the Tenancy Agreement dated 23rd June 2008 measuring 615,983 square feet and our client's computation of measurement of about 704,541 square feet, in which the Client were unable to reconcile, we have adopted our own measurements (on gross floor area) of approximately 704,577 square feet (inclusive of South Building, North Building, Hostel Apartments and the newly completed East Building measuring about 24,078 square feet but excluding non-permissible areas mentioned earlier) in our computation of value.

Nos. of Car Park 590 bays.

Planning Approvals The Subject Property is located within an area designated for institutional use. The buildings are issued with three Certificates of Fitness for Occupation by the Petaling Jaya City Council dated 6th April 1993 and 14th December 1996. and a Certificate of Completion and Compliance by Subang Jaya Municipal Council dated 3rd December 2009.

Property Performance The following table outlines the historical operating performance of the Subject Property as extracted from the unaudited management accounts together with an extract ledger report as provided by the Client.

Historical Operating Performance			
	1st January 2008 to 31st December 2008	1st January 2009 to 31st December 2009	1st January 2010 to 31st December 2010
Total Outgoings	RM918,308.64	RM508,407.15	RM439,792.28
Total Gross Rental	RM11,900,791.80	RM11,900,791.80	RM11,900,791.80

Source: Stellar Destiny Sdn. Bhd.

Note:

- The higher recorded outgoings for the Year 2008 was due to refurbishment of plumbing and sanitary system.
- The above outgoings include assessment and quit rent charges levied against PT 1905 (adjacent to Subject Property – not under valuation).

Tenancy Profile The subject property is currently tenanted to Sunway College Sdn. Bhd. for a period of 3 years commencing on 1st January 2011 and expiring on 31st December 2013 at a monthly rental of RM906,308.00 per month with a further fixed option of 3 years commencing on 1st January 2014 and expiring on 31st December 2016 subject to an increment of 5% in rental from the previous term.

14.3 MARKET VALUE

Date of Valuation 9th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the Investment and Comparison Methods of Valuation.

Reconciliation of Values

Method of Valuation	Derivation of Values
Investment Method	RM153,000,000
Comparison Method	RM155,000,000

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway University College
Jalan Universiti, Bandar Sunway
46150 Petaling Jaya, Selangor Darul Ehsan



Reference No. : V/11/0030(L)/cgc

Market Value RM153,000,000.**Investment Method
of Valuation**

	Average Gross Rental (Monthly)	Outgoings (Note 1)	Yield (Note 2)	Void (Note 3)	Present Value (Note 4)
Year 1-3	RM906,308.00	RM0.11 psf	6.50%	-	-
Year 4-6	RM951,623.40	RM0.12 psf	6.75%	-	6.75%
Reversion	RM1,056,866.00	RM0.13 psf	7.00%	5.00%	7.00%

Note 1: Analysis from unaudited management accounts together with an extract ledger reports

Note 2: Analysis from existing yields of institutional buildings in Klang Valley

Note 3: Vacancy periods between rent reviews

Note 4: Discounting the future income into the present level

Sales Comparison and Analysis of Institutional Buildings in Kuala Lumpur and Selangor				
	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property	Universiti Tunku Abdul Rahman	SEGi University College	Mas Academy	SEGi Collage – Subang Jaya Campus
Location	Lot PT 21144, Jalan Sungai Long, Bandar Sungai Long, Cheras	Lot No. 9, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara	No. 2, Jalan SS 7/13, Kelana Jaya	Lot 13, Persiaran Kewajipan, USJ 1, Subang Jaya
Tenure	Freehold Interest	Leasehold Interest	Freehold Interest	Freehold Interest
Gross Floor Area(sf)	200,000	574,000	686,355	280,572
Consideration	RM30,000,000	RM145,000,000	RM145,000,000	RM52,500,000
Date	24 th March 2009	6 th September 2007	9 th March 2007	26 th February 2007
Analysis	RM150 psf	RM253 psf	RM211 psf	RM187 psf
Adjustments	Upward adjustments are made for time lapse / prevailing market condition, location and others (subject comparable was transacted together with the adjoining commercial land). Downward adjustments are made for tenure, building age/condition/quality and size.	Upward adjustment is made for location. Downward adjustment is made for building age/condition/quality.	Upward adjustment is made for time lapse / prevailing market condition and location. Downward adjustments are made for tenure and building age/condition/quality.	Upward adjustments are made for time lapse / prevailing market condition, location and on strata basis. Downward adjustments are made for tenure, building age/condition/quality and size.
Effective Adjusted Value	RM198 psf	RM227 psf	RM221 psf	RM216 psf

Valuation Rational

From the adjusted values, we note that the values derived range between RM198 per square foot to RM227 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 3 (Mas Academy at Kelana Jaya) as it has significant similarities as the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the analysed value of about RM220.00 per square foot in our Valuation as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.0 VALUATION CERTIFICATE**15.1 IDENTIFICATION OF PROPERTY**

Property Identification	Completed, unsold and on-going developments as well as vacant development lands, all located within Sunway City Ipoh, Perak Darul Ridzuan.		
Type of Property	Sunway City Ipoh is currently under various stages of development consisting of completed, unsold and on-going developments as well as vacant development lands.		
Title Particulars	Lot Nos.	Lot No. 303250 and 323 other lots, all held under Mukim of Hulu Kinta, District of Kinta, Perak Darul Ridzuan.	
	Registered Proprietors:	Sunway City (Ipoh) Sdn Bhd (A wholly owned subsidiary of Sunway City Berhad) and Tambun Hot Springs Sdn Bhd [now known as Sunway City (Ipoh) Sdn Bhd].	
	Tenure:	Leasehold interests expiring on 27 th October 2097, 28 th October 2097, 11 th July 2102, 29 th June 2103, 6 th July 2103, 10 th August 2103, 7 th September 2103, 17 th April 2107, 16 th July 2107 and 10 th December 2108.	
	Category of Land Use:	Industrial, building and agricultural.	

15.2 PROPERTY DESCRIPTION

General Property Description / Location	A master planned on-going township development set amidst the scenic surroundings of Tambun Hot Springs and limestone hills consisting of commercial, industrial, residential, recreational components and vacant development lands known as Sunway City Ipoh encompassing about 1,004 acres, located along and off Jalan Tambun – Tg Rambutan and sited about 12 kilometres due north east of the Ipoh city centre and 4 kilometres due south of Tanjung Rambutan.
------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Component	Square Metres	Acres	Ratio
Completed & unsold developments	6,235	1.541	0.15%
On-going developments	54,566	13.483	1.34%
Reserved for limestone hills, open area, landscape and facilities	1,260,591	311.499	31.02%
Development lands	2,741,313	677.393	67.48%
Total land area:	4,062,705	1,003.916	100%

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.2.1 Completed and Unsold Properties**A. 10 units of completed and unsold 1 1/2-storey terraced factories**

Lot No.	Location	Land Size (sm)	Description	Planning
303301 – 303303 (PT 144667 – PT 133669) 303305 (PT 144671) 303295 – 303296 (PT 144661 – PT 144662) 303327 – 303330 (PT 144693 – PT 144696)	All located along Jalan SCI 1/12 and SCI 1/11	127 - 151	The 1 ½-storey terraced factories consist of intermediate lots and are generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a timber pitched roof laid over with concrete roofing tiles. The ceilings and flooring are generally of cement plaster and cement screed. General built up area ranges from 148.64 square metres to 205.32 square metres.	The factories have been issued with a Certificate of Fitness for Occupation by Majlis Bandaraya Ipoh dated 12 th March 2007.

B. 7 units of completed and unsold 2 to 3-storey terraced shop-offices

Lot No.	Land Size (sm)	Description	Planning
303198 (PT 144564) 303249 (PT 144615) 303206 (PT 144572) 303211 (PT 144577) 303230 (PT 144596) 303232 (PT 144598) 331210	130 - 263	The shop-offices consist of corner and intermediate lots and are generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a timber pitched roof laid over with concrete roofing tiles. General built up area ranges from 257.99 square metres to 587.80 square metres. These shop-offices are located along Jalan SCI 1/3, SCI 1/13 and Persiaran SCI 2/1.	The shop-offices have been issued with a Certificate of Fitness for Occupation by Majlis Bandaraya Ipoh dated 5 th June 2001

15.2.2 Completed Property**C. McDonald's drive through restaurant**

Lot No.	Land Size (sm)	Description / Location	Planning
303521 (PT 144887)	3,602	The site is a corner and triangular shaped petrol station land with dual frontages onto Jalan Tambun – Tg Rambutan. The building is generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a reinforced concrete flat roof. The ceilings and floor finishes are generally finished with cement plaster and ceramic tiles respectively. The gross built up area of the building is about 442.31 square metres.	The drive through restaurant has been issued a Certificate of Completion and Compliance by the Lembaga Arkitek Malaysia dated 27 th May 2010. The application to change the express condition to "bangunan perniagaan (sebuah bangunan restoran makan segera McDonald's pandu lalu" had been submitted.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.2.3 Properties Under Construction**D. 19 parcels of subdivided shop-office plots and a parcel of car park land currently with on-going works for a 4-storey hotel known as the Lost World Hotel & Vacation Club**

Lot No.	Land Size (sm)	Property Specifications	Planning
PT 232819 - PT 232837	2,660.5	No. of Rooms: 154 Total GFA: 10,693.88 square metres	Planning approval granted by Majlis Bandaraya Ipoh to convert the 19 parcels of subdivided shop-office plots to a 4-storey hotel and serviced suites vide letters dated 28 th October 2009 and 4 th October 2010. The building plans have been approved by Majlis Bandaraya Ipoh vide a letter dated 5 th January 2011. Amalgamation of lands have also been approved by the same dated 19 th January 2010.
PT 232874	1,664.60	Average room size: 36.33 square metres No. of car parks: 159 bays	
Total	4,325.10		

Property Description

On-Going Construction Works		The buildings are generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a reinforced concrete flat roof. The facade of the building will carry the similar "Lost World" theme as seen on the Lost World of Tambun Theme Park. The ceilings and floor finishes are generally finished with cement plaster and ceramic tiles respectively.
Total Awarded Contract	RM24,646,496	
Total Value of Workdone (as at 22 nd December 2010)	RM6,050,418	
Remaining Sum	RM18,596,078	
Stage of Completion	24.5%	

E. 28 units of double-storey terraced houses under construction known as Garden Terrace, 2 units of back to back detached houses under construction and a detached house (Garden Villas)

Lot No.	Land Size (sm)	Built Up Area (sm)	Planning
PT 232838 – PT 232865	3,275.10	6,024.30	Planning permission and building plan approvals had been granted by Majlis Bandaraya Ipoh vide letters dated 8 th May 2007 and 23 rd December 2008.
PT 232867	325.60	264.87	
PT 232868	332.10	264.87	
PT 232866	617.10	277.78	
Total	4,549.9	6,831.82	

Property Description

Sales Status	Take Up Rate	The 28 units of double-storey terraced houses fronting onto Jalan SCI 3/12 with land area of 153 square metres (intermediate units), 223 square metres (end units) and 439.30 square metres (corner unit). The built up area of the terraced houses are 198.53 square metres (intermediate and end units) and 265.52 square metres (corner unit).
Sold 27 units of terraced houses (Launch Date: 14 th November 2009)	96%	
Sold 2 units of back to back detached houses and 1 unit of proposed detached house unsold (Launch Date: 14 th November 2009)	67%	

Total Sales Revenue / Progressive Payment Billed

RM10,323,811 / RM3,400,169

On-Going Construction Works

Total Awarded Contract RM7,900,000

Total Value of Workdone (as at 19th January 2011) RM2,105,479

Stage of Completion 26.70%

The buildings are generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a timber pitched roof. Generally, the ceilings and floor finishes will be of cement plaster and ceramic tiles respectively.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

F. 220 units of townhouses under construction known as MontBleu Residence

Parent Lot No.	Land Size (sm)	Total Built Up Area (sm)	Planning
PT 198580	44,538.92	41,516.69	Planning permission and building plan approvals had been granted by Majlis Bandaraya Ipoh vide letters dated 10 th August 2009 and 29 th January 2010.
			Property Description
Sales Status		Take Up Rate	The MontBleu Residence development consists of 220 townhouses to be built on 14 blocks of 3-storey buildings. The site is almost rectangular in shape having a frontage onto an internal metalled road, Persiaran Lagun Sunway.
Sold 47 of 84 units (Launch Date: 9 th September 2010)		56%	
Total Sales Revenue / Progressive Payment Billed			The built up area of the townhouses ranges from 175.56 square metres (lower units) to 254.74 square metres (upper units). The ceilings will be generally of cement plaster and ceiling boards and the floor finishes will be of porcelain tiles, laminated timber, homogeneous tiles and cement screed.
RM89,353,096 / RM4,089,700			
On-Going Construction Works			The buildings will be generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a timber pitched roof. Generally, the ceilings and floor finishes will be of cement plaster and ceramic tiles respectively. Currently completed on site are four show units, a guardhouse, clubhouse and a swimming pool.
Total Awarded Contract		RM2,312,582	
Total Value of Workdone (as at 30 th December 2010)		RM1,638,216	
Stage of Completion		0%	

G. 2 units of detached houses under construction and 3 parcels of vacant detached house plots (Lakeside Villas Phase 7C)

Lot No.	Location	Total Land Size (sm)	Total Built Up Area (sm)	Planning
PT 195252 – PT 195254, PT 195255 & PT 195256	Jalan SCI 5/7 and SCI 5/5	3,180.3	1,507.64	Planning permission and building plan approvals had been granted by Majlis Bandaraya Ipoh vide letters bearing dated 16 th May 2006 and 5 th August 2009.
			Property Description	
Sales Status		Take Up Rate		Generally, all five parcels of lands are irregular in shape and flat in terrain and located on the same level with the surrounding area.
Sold 2 of 5 units (Launch Date: 29 th July 2009)		40%		
Total Sales Revenue / Progressive Payment Billed				The buildings will be generally constructed of reinforced concrete frame with bricks infill rendered externally and plastered internally supporting a timber pitched roof. Generally, the ceilings and floor finishes will be of cement plaster and ceramic tiles respectively.
RM1,477,755 / RM740,688				
On-Going Construction Works				
Total Awarded Contract for 2 sold units		RM739,178		
Total Value of Workdone for 2 sold units (as at 24 th September 2010)		RM199,367		
Stage of Completion		27%		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.2.4 Vacant Commercial / Industrial / Residential / Development Lands

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning
H. <u>36 parcels of subdivided vacant semi-detached factory plots</u>			
303250 to 303285 (Formerly PT 144616 to 144651)	15,858	These 36 subdivided parcels are located along Jalan SCI 1/2, 1/15 and 1/16. They are generally flat, partially cleared and lie at the same level with the surrounding area.	Designated for industrial development as expressly stipulated in the title documents.
I. <u>99 parcels of subdivided vacant terraced factory plots</u>			
Lot Nos. 303375 to 303473 (Formerly PT 144741 to 144839)	16,842	These 99 subdivided parcels of terraced factory plots are located along Jalan SCI 1/7, 1/8, 1/9 and 1/10. They are generally flat, cleared and lie at the same level with the surrounding area.	
J. <u>Vacant commercial land for food court and bazaar</u>			
Lot No. 303522 (Formerly PT 144888)	2,132	This vacant commercial land fronts onto Jalan SCI 1/10 and located in between existing terraced factories. It is rectangular in shape and located at the same level with the frontage road.	Designated for food court and bazaar as expressly stipulated in the title document.
K. <u>Vacant petrol station land</u>			
Lot No. 303520 (Formerly PT 144886)	2,309	This vacant commercial land sited along the main road, Jalan Tambun – Tg Rambutan. It is almost rectangular in shape. The front portion of the site fronts onto the main road and at the same level with the exception of the middle portion which is generally below road level.	Designated for petrol station as expressly stipulated in the title document.
L. <u>Vacant development land proposed for college</u>			
Lot No. 303541 (Formerly PT 146132)	39,011	This development land is sited next to the MontBleu Residence development. It is rectangular in shape, generally flat, partially cleared and lies at the same level with the surrounding area.	*Proposed for college development as per approved master layout plan.
M. <u>Development land proposed for Banjaran Hotsprings Retreat Phase 2</u>			
PT 220408	123,402	This development land is located on the second layer from the main road, Jalan Tambun – Tg Rambutan. The site is generally flat at the front (western) portion and hilly at the rear (eastern) portion and has an irregular shape. The site has a small pond located on the western section, partially cleared with some area planted with durian trees and covered with heavy undergrowth. The rear (eastern) site boundary is bounded by limestone hills whilst the front (western) site boundary abuts onto a TNB transmission line.	Planning approval application for the Phase 2 (extension) of the existing luxurious Banjaran Hotsprings Retreat have been submitted by ICEP Planners Sdn Bhd on behalf of Sunway City (Ipoh) Sdn Bhd vide a letter dated 30 th September 2007

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning
N. <u>Two parcels of commercial land currently used for Extreme Park Phase 1 & 2</u>			
PT 220403 (Extreme Park)	48,086	PT 220403 is a corner plot, irregular shape and is partially fronting onto the main road, Jalan Tambun – Tg Rambutan. The site abuts onto a TNB power station on the eastern boundary and a Petronas petrol station on the north western site boundary. The site accommodates futsal courts, badminton courts, paintball area and a driving range.	The Extreme Park is issued with Certificates of Fitness for Occupation by the Majlis Bandaraya Ipoh dated 13 th January 2010.
PT 220407 (Extreme Park Phase 2)	16,551	PT 220407 is an internal lot which is located at the rear portion of PT 220403. It is almost trapezoidal in shape, generally flat with some portions cleared. It is currently being used for extreme sports which include a go kart circuit and 4x4 wheel ATV trail.	
O. <u>Three development land proposed for Hilltop Homes</u>			
PT 220273	1,158,472	These three development lands are proposed for Hilltop Homes consisting of horticulture and homestead villas with density of 2 – 4 units per acre. These lots are hilly, partially cleared and elevated above the surrounding area.	*Proposed for homestead and horticulture development with density of 2 – 4 units per acre as per approved master layout plan.
PT 220274	558,270		
PT 220275	427,238		
P. <u>Development land proposed for detached house plots</u>			
PT 220405	127,702	The site is irregular in shape, hilly and elevated above the surrounding area.	*Proposed for 111 detached house plots with a density of about 3.5 units per acre as per approved master layout plan.
Q. <u>A parcel of land proposed for homestead development</u>			
PT 220396	35,551	This development land is proposed for homestead development and sited next to a lake. It is irregular in shape, generally flat, partially cleared and lies at the same level with the surrounding area.	*Proposed for homestead development as per approved master layout plan.
R. <u>Vacant development land proposed for serviced apartments</u>			
Lot No. 303538 (Formerly PT 146129)	56,279	This is a corner plot, trapezoidal in shape and fronts directly onto the main road, Jalan Tambun – Tg Rambutan with a return frontage onto an internal road, Persiaran Lembah Perpaduan. The site abuts onto a TNB transmission line and a drain reserve on the south eastern boundary. It has a special reserve for public facility of about 17,199.14 square metres.	*Proposed for serviced apartment development as per approved master layout plan.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

Lot No.	Land Area (sm)	Property Type & Brief Description	Planning
S. <u>Development land proposed for Lost World Mall Phase 2</u>			
PT 220410	37,921	The site is irregular in shape, generally flat and lies at the same level with the surrounding area. The western (front) portion of the site partially fronts onto the main road, Jalan Tambun – Tg Rambutan with the rest adjoining the TNB transmission line. The eastern (rear) portion of the site abuts onto the existing luxurious Banjaran Hotsprings Retreat.	*Proposed for extension of Lost World Mall as per approved master layout plan.
T. <u>65 parcels of subdivided vacant shop-office plots, three parcels of commercial car park lands and two vacant parcels of commercial lands proposed for Lost World Mall & Serviced Apartments</u>			
PT 220414 – PT 220478 (shop-office plots)	11,601.70	The combined site forms an almost rectangular shape, fronts onto the main road, Jalan Tambun – Tg Rambutan and it is located next to the Lost World of Tambun Theme Park. The eastern portion abuts onto a limestone hill whilst the northern site boundary adjoins an internal service road leading to the luxurious Banjaran Hotsprings Retreat. We have adopted the net land area of about 74,551.84 square metres.	Planning permission approval had been granted by Majlis Bandaraya Ipoh vide a letter dated 13 th June 2006. Subsequently, the application to amend the approved planning permission has been submitted on 1 st December 2010.
PT 220479	24,273.14		
PT 220480	33,666.20		
PT 220481 – PT 220483 (Commercial car park lands)	5,010.80		
U. <u>16 parcels of subdivided detached house plots (Lakeside Bungalows)</u>			
PT 220319 – PT 220334	16,308.40	These 16 parcels are located in Lakeside Villas development and it has a direct frontage onto an internal service road, Jalan SCI 5/9 on the southern section and a lake on the northern section.	Building plan approval has been approved by Majlis Bandaraya Ipoh vide its letter dated 11 th June 2010.

***Master Planning Approval**

The master layout plan for Sunway City Ipoh had been approved in 1995 and amended in 1997 as per approval letter dated 15th July 1997.

15.3 MARKET VALUE

Date of Valuation 10th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison, Investment and Residual Methods** of Valuation.

Market Value RM117,360,000.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.3.1 Completed and Unsold Properties

We have solely relied on the Comparison Method of Valuation for completed and unsold properties. Recent transactions of terraced factories and shop-offices located within Sunway City Ipoh are summarized in the tables below.

A. 10 units of completed and unsold 1 1/2-storey terraced factories

Sales Comparison and Analysis of 1 1/2-Storey Terraced Factory Sales in Ipoh			
	Comparable 1	Comparable 2	Comparable 3
Address	11, Jln SCI 1/11, Sunway City Ipoh	34, Jln SCI 1/11, Sunway City Ipoh	24, Jln SCI 1/11, Sunway City Ipoh
Type of Property	1 1/2-storey terraced factory	1 1/2-storey terraced factory	1 1/2-storey terraced factory
Tenure	Leasehold	Leasehold	Leasehold
Land Area	151 square metres	151 square metres	151 square metres
Built Up	205.32 square metres	205.32 square metres	205.32 square metres
Consideration	RM205,000	RM185,000	RM180,000
Date	24 th February 2010	21 st October 2009	2 nd April 2009
Analysis (over built up)	RM1,357.62 psm / RM126 psf	RM901.03 psm / RM84 psf	RM876.68 psm / RM81 psf
Adjustments	General adjustments have been made to reflect the time, micro location, type and size of the subject property.		
Effective Values (over built up)	RM93 psf	RM92 psf	RM86 psf
Valuation Rational	We have adopted Comparable 2 as the most appropriate comparable as a base in our valuation of the 10 units of terraced factories taking into its consideration of being in the same locality, property type and size.		

B. 7 units of completed and unsold 2 to 3-storey terraced shop-offices

Sales Comparison and Analysis of 2 to 3-Storey Shop-Office Sales in Ipoh			
	Comparable 1	Comparable 2	Comparable 3
Address	32 & 32a, Prsn SCI 2, Sunway City Ipoh	2, Jalan SCI 1/13, Sunway City Ipoh	31 & 31a, Prsn SCI 2/2, Sunway City Ipoh
Type of Property	2-storey terraced shop-office	3-storey corner terraced shop-office	2-storey terraced shop-office
Tenure	Leasehold	Leasehold	Leasehold
Land Area	153 square metres	211 square metres	153 square metres
Built Up	247.7 square metres	587.77 square metres	270.11
Consideration	RM350,000	RM632,722	RM260,000
Date	21 st August 2009	16 th February 2009	29 th May 2008
Analysis (over built up)	RM1,413.00 psm / RM131 psf	RM1,076.48 psm / RM100 psf	RM962.57 psm / RM89 psf
Adjustments	General adjustments have been made to reflect the time, condition, micro location and size of the subject property.		
Effective Values (over built up)	RM117 psf	RM95 psf	RM92 psf
Valuation Rational	We have adopted Comparable 2 as the most appropriate comparable as a base in our valuation of the 7 units of shop-offices taking into its consideration of being in the same locality, property type and size.		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.3.2 Completed Property**C. McDonald's Drive Through Restaurant**

For the valuation of McDonald's drive through restaurant, we have adopted the Investment Method of Valuation and relied solely on the method to arrive at the market value. Summary of parameters of the investment method are tabulated below.

	Average Gross Rental (Monthly)	Outgoings (Note 1)	Yield (Note 2)	Void	Present Value (Note 3)
First 3 Years (1 st June 2010 – 31 st May 2013)	RM10,000, RM11,000 & RM12,000 each	RM2,400 per month / RM0.50 psf over built up	6.00% - 8.25%	-	6.50%
Subsequent 9 terms of 3 years each (1 st June 2013 – 31 st May 2040)	Increase of 6% after Year 3 for all subsequent terms	Increase of 5% after Year 3 for all subsequent terms			
Reversion	RM19,044 per month / RM4 psf over built up	RM4,000 per month / RM0.84 psf over built up	6.50%	5.00%	6.50%

Note 1: Outgoings

Outgoings consist of quit rent (actual), assessment and general maintenance of the land (estimated) as noted in the tenancy agreement which is payable by the landlord. Based on our estimation, we note that the outgoings payable by landlord amounts to about RM2,400 per month / RM0.50 psf over built up area. Upon reversion we have adopted a rate of RM0.84 psf over built up area.

Note 2: Yield

From our yield analysis, we have noted that the estimated yield of commercial land in Ipoh is about 4.1% whilst the yield of double-storey shop-offices is in the region of about 5.5% – 6.5% depending on the location, tenure, building condition and etc.

Note 3: Present Value

A discount rate of 6.50% is adopted for discounting the future income into the present value for both future terms and reversionary term.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.3.3 Properties Under Construction

We have solely relied on the Residual Method of Valuation for properties under construction and we have summarized our approach and parameters in the following tables.

D. 19 parcels of subdivided shop-office plots and a parcel of car park land currently with on-going works for a 4-storey hotel known as the Lost World Hotel & Vacation Club**Summary of Parameters**

Gross Development Value (GDV)	RM37,000,000 / RM240,000 per room (Note 1)
Gross Development Cost (GDC)	RM27,671,802
Infrastructure & Main Building Works	RM214 psf / RM160,000 per room (contract)
Developer's Profit	15% of GDV
Development Period	Approximately 1 year
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We note that the transacted Impiana Casuarina Hotel in Ipoh analysed to about RM232,000 per room. Therefore, we have adopted a rate of RM240,000 per room for the subject property after taking into consideration the condition, operator, facilities, location, tenure and design of the subject property.

Note 2: Development Period

We have adopted a development period of 1 year taking into consideration that the development will be completed within the period.

E. 28 units of double-storey terraced houses Under construction known as Garden Terrace, 2 units of back to back detached houses under construction and a detached house (Garden Villas)**Summary of Parameters**

Gross Development Value (GDV)	About RM300,000 per unit for terraced houses and RM611,000 per unit for back to back detached houses (Note 1)
Gross Development Cost (GDC)	RM7,911,017
Infrastructure & Main Building Works	RM107 psf of total built up area (contract)
Developer's Profit	15% of GDV
Development Period	Approximately 2 years
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We have adopted the selling prices of the properties after taking into consideration the take up rate.

Note 2: Development Period

We have adopted a development period of 2 years after taking into consideration that the main building works are already on-going site.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

F. 220 units of townhouses Under construction known as MontBleu Residence

Summary of Parameters	
Gross Development Value (GDV)	RM83,396,011 (Note 1)
Gross Development Cost (GDC)	RM72,291,436
Preliminaries & Infrastructure	RM5 psf over total land area
Main Building Works	RM103 psf over total built up area (estimated)
Developer's Profit	15% of GDV
Development Period	Approximately 3 years
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We have adopted the selling prices of the properties after taking into consideration the take up rate.

G. 2 units of detached houses Under construction and 3 parcels of vacant detached house plots (Lakeside Villas Phase 7C)

Summary of Parameters	
Gross Development Value	About RM738,000 per unit
Gross Development Cost (GDC)	RM777,992
Preliminaries & Infrastructure	RM2 psf over total land area
Main Building Works	RM113 psf over total built up area (contract)
Developer's Profit	15% of GDV
Development Period	Approximately 1 year
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We have adopted the selling prices of the properties after taking into consideration the take up rate.

Note 2: Development Period

We have adopted a development period of 1 year after taking into consideration that the main building works are already on-going.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

15.3.4 Vacant Commercial / Industrial / Residential / Development Lands

Properties H & I – 36 parcels of subdivided vacant semi-detached factory plots and 99 parcels of subdivided vacant terraced factory plots

Due to a dearth of semi-detached and terraced factory plots transactions within the same area, we have carried out the valuation of Properties H & I by using the Residual Method of Valuation.

Summary of Parameters

Gross Development Value	RM37,290,110 (Note 1)
Gross Development Cost (GDC)	RM31,513,007
Preliminaries & Infrastructure	RM3 psf over total land area
Main Building Works	RM60 psf over total built up area
Developer's Profit	15% of GDV
Development Period	Approximately 2 years
Discount Rate	8%

Note 1: Gross Development Value (GDV)

We have analysed the recently transacted prices of terraced and semi-detached factories sales in Sunway City Ipoh to arrive at our opinion of GDV.

Note 2: Development Period

We are of the opinion that the development can be completed within 2 years.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

Properties J – U

We have identified and analyzed the recent transactions of commercial, residential, agricultural and development land sales in the vicinity of Sunway City Ipoh and have summarized the details and our approach in the following tables.

Sales Comparison and Analysis of Commercial Land Sales in Ipoh			
	Comparable 1	Comparable 2	Comparable 3
Identification	PT 187019, HSD 116778, Mukim of Hulu Kinta, District of Kinta, Perak	Lot No. 212154, PM 149631, Mukim of Hulu Kinta, District of Kinta, Perak	Lot No. 46710, G 62506, Mukim of Hulu Kinta, District of Kinta, Perak
Location	Off Batu 8 Jalan Tambun - Tg Rambutan, fronting Jalan Perpaduan and return frontage onto Persiaran Perpaduan 6	Off Jalan Tambun - Tg Rambutan, south of Sunway City Ipoh	No. 2, Cecil Rae Drive, Taman Canning, Ipoh
Tenure	Leasehold expiring on 3 Feb 2102	Leasehold 99 years	Freehold
Type of Land	A plot of commercial land	Caltex Petrol Station	Caltex Petrol Station
Land Area	1,444.4 square metres	2,246 square metres	1,444 square metres
Consideration	RM2,000,000	RM1,200,000	RM1,000,000
Date	22 nd June 2009	7 th October 2009	12 th October 2009
Analysis	RM28 psf	RM25 psf	RM52 psf
Planning	Commercial: Pusat Perniagaan	Petrol Station	Petrol Station
Adjustments	General upward adjustments have been made to reflect the location of Sunway City Ipoh and its and master planned township development, time, size, tenure, terrain, shape and etc.		

Sales Comparison and Analysis of Commercial & Development Land Sales in Ipoh				
	Comparable 4	Comparable 5	Comparable 6	Comparable 7
Identification	Lot Nos. 305553 – 305555, PN 19634 – 19636, Mukim of Hulu Kinta, District of Kinta, Perak together with 2 parcels of state lands sited in between	PT 228836, HSD 185176, Mukim of Hulu Kinta, District of Kinta, Perak	PT 190100 - 190105, HSD 162542 - 162456, Mukim of Hulu Kinta, District of Kinta, Perak	Lot No. 392203, PN 343148 (formerly PT 226083, HSD 180352), Mukim of Hulu Kinta, District of Kinta, Perak
Location	Off Jalan Pasir Puteh, fronting onto internal Medan Stesen 18/5, Ipoh	Off Batu 7 Jalan Tambun - Tg Rambutan, Ipoh	Off Batu 6 Jalan Tambun - Tg Rambutan, Ipoh	Off Ipoh – Lumut Highway, Ipoh
Tenure	Freehold	Leasehold expiring 19 th August 2108	Freehold	Leasehold expiring 23 rd November 2107
Type of Land	3 parcels of commercial land and state lands	A residential land	5 parcels of development land	Residential development land
Land Area	70,011 square metres	55,142 square metres	25,579 square metres	167,400 square metres
Consideration	RM27,129,168	RM12,500,000	RM4,300,000	RM12,000,000
Date	28 th June 2010	21 st December 2009	1 st July 2009	30 th March 2010
Analysis	RM36 psf	RM21 psf	RM16 psf	RM6.66 psf
Planning	Approved for a block of 4-storey shopping complex with plot ratio of 3	Approved for condominium development known as The Haven (485 units)	Zoned for residential development	Approved for residential development
Adjustments	General downward adjustments have been made to reflect the location of Sunway City Ipoh and its master planned township development, time, size, tenure, planning, terrain, shape and etc.			

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan
Reference No. : V/11/0030(M)/cth



Sales Comparison and Analysis of Detached House Land & Development Land Sales in Ipoh			
	Comparable 8	Comparable 9	Comparable 10
Identification	Lot No. 173799, PN 93651, Mukim of Hulu Kinta, District of Kinta, Perak	Lot No. 20982, G 35539, Mukim of Hulu Kinta, District of Kinta, Perak	228275, PN 137607, Mukim of Hulu Kinta, District of Kinta, Perak
Location	Lot 173799, Hala Bercham Selatan	Located in Tambun Heights	Laluan Tambun Indah 3, Trm Puncak Tambun Indah
Tenure	Leasehold expiring on 27th June 2089	Freehold	Leasehold expiring on 28th May 2095
Type of Land	Residential plot	A vacant parcel of development land	Vacant bungalow land
Land Area	920 square metres	4,020 square metres	848 square metres
Consideration	RM376,306	RM1,082,466	RM273,840
Date	17 th May 2010	26 th June 2009	30 th March 2010
Analysis	RM38 psf	RM25 psf	RM30 psf
Planning	For detached house development	Zoned for residential	For detached house development
Adjustments	General adjustments have been made to reflect the time, size, terrain, shape and etc of the subject property.		

Sales Comparison and Analysis of Agriculture Land Sales in Ipoh			
	Comparable 11	Comparable 12	Comparable 13
Identification	PT 20528 & 20529, HSD 173233 & 173234, Mukim of Sg Raya, District of Kinta, Perak	PT 20531, HSD 173233 & 173234, Mukim of Sg Raya, District of Kinta, Perak	Lot No. 14547, G 23228, Mukim of Hulu Kinta, District of Kinta, Perak
Location	Off Jalan Gopeng - Simpang Pulai, Ipoh	Off Jalan Gopeng - Simpang Pulai, Ipoh	Off Jln Tg Rambutan - Chemor
Tenure	Leasehold expiring on 29th June 2068	Leasehold expiring on 29th June 2068	Freehold
Type of Land	Agriculture land	Agriculture land	A parcel of agriculture land
Land Area	217,855 square metres	197,796 square metres	789,423 square metres
Consideration	RM2,153,600	RM1,955,200	RM7,665,308
Date	29 th March 2010	22 nd December 2009	28 th June 2008
Analysis	RM0.92 psf	RM0.92 psf	RM0.95 psf
Planning	Agricultural: Oil Palm	Agricultural: Oil Palm	Agricultural: Rubber
Adjustments	General downward adjustments have been made to reflect the time, size, terrain, shape, usable area, planning and etc of the subject property.		

Sales Comparison and Analysis of Development Land Sales in Ipoh			
	Comparable 14	Comparable 15	Comparable 16
Identification	Lot No. 45667, G 50154, Mukim of Hulu Kinta, District of Kinta, Perak	Lot No. 129043, PM 12908, Mukim of Hulu Kinta, District of Kinta, Perak	PT 228836, HSD 185176, Mukim of Hulu Kinta, District of Kinta, Perak
Location	Off Jalan Pasir Puteh - pengkalan, in Taman Lapangan	Off Jalan Tambun / Ampang	Off Jalan Tambun - Tg Rambutan Batu 7, Ipoh
Tenure	Freehold	Leasehold expiring on 4th May 2043	Leasehold expiring 19th August 2108
Type of Land	An agricultural land	A parcel of development land	An agricultural land with a lake and limestone hill
Land Area	50,001 square metres	20,450 square metres	55,142 square metres
Consideration	RM2,676,188	RM1,010,230	RM1,935,000
Date	12 th August 2009	1 st September 2009	21 st September 2007
Analysis	RM4.97 psf	RM4.60 psf	RM3.42 psf
Planning	Zoned for residential with density of 1 – 20 units per acre	Zoned for agricultural	Zoned for residential
Adjustments	General adjustments have been made to reflect the location of Sunway City Ipoh and its master planned township development, time, size, tenure, planning, terrain, shape, time and etc.		

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Sunway City Ipoh
Mukim of Hulu Kinta, District of Kinta
Perak Darul Ridzuan



Reference No. : V/11/0030(M)/cth

<i>Valuation Rational</i>	Property	Comparables Used	Effective Adjusted Values
	J	1, 2 & 9	RM20 – RM30 psf Adopted Comparable 1 (RM29 psf)
	K	1, 2 & 3	RM25 – RM39 psf Adopted Comparable 1 (RM35 psf)
	L	14, 15 & 16	RM5 – RM6 psf Adopted Comparable 3 (RM5 psf)
	M	5, 6 & 7	RM8 – RM11 psf Adopted Comparable 5 (RM11 psf)
	N	4, 5 & 6	RM14 – RM20 psf Adopted Comparable 6 (RM16 psf)
	O (PT 270273)	11, 12 & 13	RM0.55 – RM0.60 psf Adopted Comparable 13 (RM0.60 psf)
	O (PT 270274)	11, 12 & 13	RM0.58 – RM0.89 psf Adopted Comparable 13 (RM0.89 psf)
	O (PT 270275)	11, 12 & 13	RM0.73 – RM0.89 psf Adopted Comparable 11 (RM0.73 psf)
	P	11, 12 & 13	RM1.06 – RM1.19 psf Adopted Comparable 12 (RM1.11 psf)
	Q	14, 15 & 16	RM4 – RM6 psf Adopted Comparable 16 (RM4 psf)
	R	1, 5 & 6	RM15 – RM19 psf Adopted Comparable 5 (RM19 psf)
	S	1, 5 & 6	RM15 – RM17 psf Adopted Comparable 5 (RM17 psf)
	T	4, 5 & 6	RM18 – RM24 psf Adopted Comparable 4 (RM22 psf)
	U	8, 9 & 10	RM34 – RM44 psf Adopted Comparable 8 (RM44 psf)

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 5646 to 5648, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(A)/ymk

16.0 VALUATION CERTIFICATE

16.1 IDENTIFICATION OF PROPERTY

Type of Property An on-going commercial development known as Sunway Perdana comprising 49 units of three-storey shopoffice, 1 unit of 1-storey futsal centre (4 courts) and 1 unit of 1-storey badminton centre (6 courts).

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos.	: 5646 to 5648, all within Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang.
Total Land Area	: 34,443 square metres.
Tenure	: Leasehold interest for a term of 99 years, expiring on 21 st October 2092, in respect of all titles.
Registered Proprietor	: Lot 5646 – Bandar Sunway (Penang) Sdn. Bhd. Lot 5647 – Sejati Pesona Sdn. Bhd. Lot 5648 – Associated Circle Sdn. Bhd. (All Registered Proprietors stated above are wholly-owned subsidiary of Sunway City Berhad).
Category Of Land Use	: "Bangunan", in respect of all titles.

16.2 PROPERTY DESCRIPTION

Property Description / Location Sunway Perdana is an on-going commercial development located within Pusat Bandar Seberang Jaya (Bandar Sunway).

Brief development details are tabulated as follows:-

Block	Land Area / GFA (typical unit)	Units	Developer's Selling Price*	Take up rate	Total Sales Revenue / Progressive payment billed	Stage of Completion
A	1,658 sq. feet / 4,877 sq. feet	12	RM1,157,900 to RM1,989,000	76%	RM50,079,004 / RM12,745,025	13.36%
B		11	RM1,126,900 to RM1,970,000			
C		11	RM1,257,000 to RM2,044,000			
D		12	RM1,080,000 to RM1,870,000			
E		3	RM1,459,000 to RM1,582,000			

*Developer's selling price is subject to promotional and bumiputra discounts

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 5646 to 5648, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(A)/ymk

**Planning Approval**

The Subject Property is designated for Commercial Buildings, Sport Center and Parking area, and also Medical Center use as expressly stipulated in the title document.

The subject property was granted a planning approval and building plan approval for the development vide the approval letters dated 16th April 2010 and 15th October 2010 respectively, both issued by the Seberang Perai Municipal Council.

16.3 MARKET VALUE**Date of Valuation**

9th February 2011.

Valuation Methodology

In valuing on-going developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM16,900,000

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (All Based on Remaining Value / Cost)

Gross Development Value	RM59,067,692 (Note 1)
Gross Development Cost	RM40,067,618
Preliminaries & Infrastructure	RM1.42 psf / Total Land Area
Building Construction Cost	RM79.51psf / total gross built-up area (excluding construction cost of sports centre)
Developer's Profit	15% of GDV
Development Period	Approximately 1½ years (Note 2)
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value for the unsold shopoffice units, we have adopted a sale price of RM1,250,000 per unit to be fair representation after taking into consideration similar properties that are being sold within the immediate vicinity and surrounding schemes where three-storey terraced shopoffices and four-storey terraced shopoffices have been transacted at RM1,140,000 per unit and RM2,800,000 to RM2,850,000 per unit respectively.

Launch date of Sunway Perdana was in July 2010.

Note 2: Development Period

We note that the development of the subject property has already commenced. Hence, we have adopted a development period of 1.5 years in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 5646 to 5648, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(A)/ymk



Residual Method of Valuation (Cont'd)

Similarly, the GDV for the sports centre which is made up of four futsal courts and six badminton courts is based on the following:-

Current market rentals of futsal courts range from RM60 to RM90 per hour whilst rentals for badminton courts range from RM7 to RM12 per hour in Seberang Perai.

For the investment method of valuation of the sports centre, we have adopted the following rentals:-

(a) Courts	(b) Business hour	(c) No. of hours	(d) Rental per hour (RM)	(e) Estimated court occupancy	Estimated Annual Gross Income (RM)
Futsal x 4	9 am to 6 pm	9	60	25%	197,100*
	6 pm to 2 am	8	100	50%	584,000*
Badminton x 6	9 am to 6 pm	9	8	17%	26,280*
	6 pm to 2 am	8	12	83%	175,200*
Total					982,580

*Column (a) x (c) x (d) x (e) x 365 days

Summary of Parameters

Annual Gross Income	RM982,580
Outgoings	30%
Yield	10.00%

We do not have any evidences of historical outgoings for futsal and also badminton centers. Therefore, we have to rely on the average industrial outgoings at 15% to 20% and we have estimated the current outgoings at 30%.

The resultant net income is capitalized using a yield of 10% over the remaining period of the lease to arrive at the value of the sports centre.

There are no yield evidences on futsal and badminton centers as well. Therefore, we have to depend on industrial properties as a guide. The average yields for industrial properties are in the region of 7% to 8%. We have adopted a slightly higher figure to reflect the risks/uncertainties.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 5493, 5781 to 5793, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(B)(i)&(ii)/ymk

**17.0 VALUATION CERTIFICATE****17.1 IDENTIFICATION OF PROPERTY**

Type of Property Four lots of vacant development land.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos. :	5493, 5781 to 5783, all within Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang.
Total Land Area :	21,776 square metres.
Tenure :	Leasehold interest for a term of 99 years, expiring on 21 st October 2092 (remaining unexpired term of about 81 years), in respect of all titles.
Registered Proprietor :	Lot 5493 – Prime Delight Sdn. Bhd. Lot 5781 to 5783 – Alliance Parade Sdn. Bhd. (All Registered Proprietors stated above are wholly-owned subsidiary of Sunway City Berhad).
Category of Land Use :	Bangunan (Building), in respect of all titles.

The remainder of this page has been intentionally left blank

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 5493, 5781 to 5793, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(B)(i)&(ii)/ymk

**17.2 PROPERTY DESCRIPTION*****Property Description /
Location***Lot 5493

The site is regular in shape with a surveyed land area of 13,306 square metres (144,225 square feet). The subject property is strategically located within the prime commercial precinct of Pusat Bandar Seberang Jaya (Bandar Sunway) which is located on the southern side of the Butterworth – Kulim Expressway.

The site is currently used as a temporary car and motorcycle parking area by Sunway Carnival Shopping Mall.

Lots 5781 to 5783

The site is regular in shape with a combined surveyed land area of 8,470 square metres (91,170 square feet). The subject property is strategically located within the prime commercial precinct of Pusat Bandar Seberang Jaya (Bandar Sunway) which is located off the southern side of the Butterworth – Kulim Expressway.

The site is currently used as a temporary car parking area by Sunway Hotel.

Planning ApprovalLot 5493

The Subject Property is designated for Hotel use as expressly stipulated in the title document.

Lots 5781 to 5783

The Subject Property is designated for rumah kedai / pejabat use as expressly stipulated in the title document.

17.3 MARKET VALUE***Date of Valuation***

9th February 2011.

Valuation Methodology

For the purpose of this valuation, we have adopted the **Comparison** Method of Valuation.

Market Value

Lot 5493 – RM13,600,000.

Lot 5781 to 5783 – RM8,700,000

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

Lot Nos. 5493, 5781 to 5793, all within Mukim 1
Daerah Seberang Perai Tengah, Pulau Pinang

Reference No. : V/PG/11/050(B)(i)&(ii)/ymk



Sales Comparison and Analysis					
	Comparable 1	Comparable 2		Comparable 3	
Identification	PT 3862, Mukim 1, Seberang Perai Tengah, Pulau Pinang	Lot Nos. 522 & 1399, Mukim 6, Seberang Perai Tengah, Pulau Pinang		Lot Nos. 386 and 387, Seksyen 4, Bandar Butterworth, Seberang Perai Utara, Pulau Pinang	
Locality	Bandar Sunway	Bandar Seberang Jaya		Butterworth	
Tenure	Leasehold Interest 99 years expiring on 16 th April 2095	Interest-in-perpetuity		Interest-in-perpetuity	
Land Area (square feet)	87,126	27,400		18,840	
Consideration	RM6,972,000	RM2,328,915		RM1,601,400	
Date	31/12/2008	23/06/2009		03/09/2009	
Planning	Pembangunan Sediada	Pembangunan Sediada		Pembangunan Sediada	
Property Type	A parcel of development land	Two parcels of development land		Two parcels of development land	
Analysis	RM80.02 psf	RM85 psf		RM85 psf	
Adjustments	<p><u>For Lots 5493 & 5781 to 5783</u> Upward adjustments have been made for the improved market condition and also for the fact that the subject property is in a better location and it has three frontages.</p> <p><u>For Lot 5493 only</u> A downward adjustment has been made due to the fact that the comparable is smaller in land area</p>	<p><u>For Lots 5493 & 5781 to 5783</u> Upward adjustments have been made for the improved market condition and also for the fact that the subject property is in a better location and it has three frontages</p> <p>Downward adjustments have been made due to the fact that the comparable is smaller in land area and it is a freehold property</p>		<p><u>For Lots 5493 & 5781 to 5783</u> Upward adjustments have been made for the improved market condition and also for the fact that the subject property is in a better location and it has three frontages</p> <p>Downward adjustments have been made due to the fact that the comparable is smaller in land area and it is a freehold property</p>	
Effective Adjusted Value	For Lots 5493 & 5781 to 5783 – RM96.83 psf	For Lot 5493 – RM98.17 psf	For Lots 5781 to 5783 – RM102.63 psf	For Lot 5493 – RM89.25 psf	For Lots 5781 to 5783 – RM93.71 psf

Valuation Rational

From the adjusted values, we note that the values derived range from RM89.25 per square foot to RM98.17 per square foot for Lot 5493 whilst for Lots 5781 to 5783 they range from RM93.71 per square foot to RM102.63 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable No. 1 as it has significant similarities with the Subject Property after making the necessary adjustments for differences in market condition, location, frontages and size.

Having regards to the foregoing, we have rounded the analysed figure RM96.83 and adopted RM95.00 per square foot in our Valuation as a fair representation for both Lot 5493 and Lots 5781 to 5783.

8. VALUATION CERTIFICATES (*cont'd*)**Knight Frank**

An on-going residential development known as Sunway Merica
held under Lot 16833, Mukim 12
Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(C)/lak

**18.0 VALUATION CERTIFICATE****18.1 IDENTIFICATION OF PROPERTY**

Type of Property	An on-going residential development known as Sunway Merica comprising 86 units of 3-storey terraced house and 12 units of 3-storey semi-detached house.
Title Particulars	The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot No. :	Lot 16833, Mukim 12, Daerah Barat Daya, Pulau Pinang.
Land Area :	3.174 hectares (7.84 acres).
Tenure :	Interest-in-perpetuity.
Registered Proprietor :	Sunway Grand Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad).
Category Of Land Use:	Nil.

We were given to understand by the client that the above title has been surrendered for sub-division purposes and the individual titles have yet to be issued.

18.2 PROPERTY DESCRIPTION

Property Description / Location	<p>Sunway Merica is an on-going low density residential development sited off the north-eastern side of Jalan Dato Ismail Hashim, within the locality of Sungai Ara.</p> <p>It is being constructed in two phases. Phase 1 comprises 4 blocks of terraced house (Blocks B to E) whilst Phase 2 comprises a block of semi-detached house (Block A) and 3 blocks of terraced house (Blocks F to H).</p> <p>Brief development details are tabulated as overleaf:-</p>
----------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

An on-going residential development known as Sunway Merica held under Lot 16833, Mukim 12 Daerah Barat Daya, Pulau Pinang



Reference No. : V/PG/11/050(C)/lak

Type / Dimension	Block No.	No of Units	Land Area (sq feet)		Built-Up Area (sq feet)		Developer's Selling Price	Take Up Rate	Total Sales Revenue / Progress Payment Billed
			From	To	Gross	Net			
3-storey terraced (20'x70')	B, C, F to H	59	1,399	4,080	2,715/ 2,778	2,303	RM860,400 to RM1,466,000	27.91%	RM20,306,648 / RM11,787,808
3-storey terraced (22'x70')	D, E	27	1,539	4,263	3,021/ 3,098	2,528	RM912,500 to RM1,540,500		
3-storey semi-detached (35.8'x75')	A	12	2,691	3,627	3,973	3,062	RM1,455,000 to RM1,712,000	N/A	

*Developer's selling price is subject to promotional & bumiputra discounts.

*The take up rate for the semi-detached houses is not applicable as they have not been launched yet.

*The stage of construction for Phase 1 and Phase 2 is about 74.11% and 14.20% respectively.

Planning Approval

The Subject Property is designated for residential use.

The subject property was granted planning approval and building plan approval vide the approval letters dated 19th March 2009 and 12th June 2009 respectively, both issued by Majlis Perbandaran Pulau Pinang.

18.3 MARKET VALUE

Date of Valuation

9th February 2011.

Valuation Methodology

In valuing on-going developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM25,000,000.

Residual Method of Valuation

The overleaf table outlines the salient valuation assumptions adopted in undertaking our assessment:-

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

An on-going residential development known as Sunway Merica
held under Lot 16833, Mukim 12
Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(C)/lak



Summary of Parameters (All Based on Remaining Value / Cost)	
Gross Development Value	RM75,377,455 (Note 1)
Gross Development Cost	RM46,270,177
Preliminaries & Infrastructure	RM17.41 psf / Land Area
Building Construction Cost	RM126.92 psf / total gross built-up area
Developer's Profit	15% of GDV
Development Period	Approximately 2 years (Note 2)
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted the developer's selling price, which in our opinion is a fair representation after taking into consideration similar properties that are being sold within the immediate and surrounding areas. Selected comparable sales adopted in arriving at the GDV are Setia Greens (3-storey terraced house and 3-storey semi-detached house selling from RM898,880 and RM1,600,000 respectively), Casuarina, Setia Pearl Island (3-storey terraced house, 1,300sf selling from RM871,914), Setia Pearl Island (3-storey terraced house, 1,400sf sold at RM730,000) and Jupiter 1, The Isle of Conifer, Setia Peral Island (3-storey semi-detached house selling from RM1,440,880).

Launch date of Sunway Merica was in November 2009 and May 2010 respectively.

Note 2: Development Period

We note that the development of the subject property has already commenced. Hence, we have adopted a development period of 1.5 years in our valuation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

An on-going residential development known as Sunway Aspera held under Lot Nos. 736,945,946 & 947 all within Mukim 11, Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(D)/ci



19.0 VALUATION CERTIFICATE

19.1 IDENTIFICATION OF PROPERTY

Type of Property An on-going residential development known as Sunway Aspera, consisting of 76 units of 2-storey terraced house and 9 units of 3-storey terraced house.

Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos. :	736, 945, 946 & 947, all within Mukim 11, Daerah Barat Daya, Pulau Pinang.
Total Land Area :	2.527 hectares (6.244 acres).
Tenure :	Interest-in-perpetuity.
Registered Proprietor :	Sunway Grand Sdn. Bhd (A wholly-owned subsidiary of Sunway City Berhad).
Category Of Land Use:	Nil.

We were given to understand by the client that above titles have been surrendered for re-alienation purposes and the individual titles have yet to be issued.

19.2 PROPERTY DESCRIPTION

Property Description / Location

Sunway Aspera is an on-going residential development located within Sungai Batu, at the south-western coast of Penang island.

Brief development details are tabulated as follows:-

Type / Dimension	No of Units	Land Area (sq feet)	Built-Up Area (sq feet)		Developer's Selling Price	Take Up Rate	Total Sales Revenue / Progress Payment Billed	Stage of Completion
			Gross	Net				
2 storey terraced (20' x 65')	32	1,302 - 3,014	2,044	1,725	RM525,000 to RM788,000	50.59%	RM22,899,870 / RM7,793,013	32%
2 storey terraced (20' x 60')	44	1,206 - 2,862	1,847	1,531	RM495,000 to RM726,000			
3 storey terraced (22' x 70')	9	1,539 - 2,745	2,718	2,426	RM736,000 to RM899,000			

* Developer's selling price is subject to promotional & bumiputra discounts.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank

An on-going residential development known as Sunway Aspera held under Lot Nos. 736,945,946 & 947 all within Mukim 11, Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(D)/ci

**Planning Approval**

The Subject Property is designated for residential use.

The subject property was granted planning approval and building plan approval vide the approval letters dated 26th February 2009 and 29th May 2009 respectively, both issued by Majlis Perbandaran Pulau Pinang.

19.3 MARKET VALUE**Date of Valuation**

10th February 2011.

Valuation Methodology

In valuing on-going developments which are under construction, the primary method is the **Residual Method** and as such, we have only adopted the Market Value as derived from the Residual Method of Valuation.

Market Value

RM11,000,000.

Residual Method of Valuation

The following table outlines the salient valuation assumptions adopted in undertaking our assessment:-

Summary of Parameters (All Based on Remaining Value / Cost)

Gross Development Value	RM39,688,677 (Note 1)
Gross Development Cost	RM27,221,732
Preliminaries & Infrastructure	RM6.12 psf / Total Land Area
Building Construction Cost	RM122.30 psf / Total Gross Built-Up
Developer's Profit	15% of GDV
Development Period	Approximately 1.5 years (Note 2)
Discount Rate	8.00%

Note 1: Gross Development Value (GDV)

In arriving at the Gross Development Value, we have adopted the developer's selling price, which in our opinion is a fair representation after taking into consideration the similar properties that are being sold within the immediate and surrounding areas. Selected comparable sales adopted in arriving at the GDV are Taman Prestige (2-storey terraced house sold at RM588,000), Vanilla Bay (2-storey terraced house sold at RM435,000), TK Residence (2-storey terraced house selling from RM590,000), Sentral Greens (3-storey terraced house sold at RM873,000), Setia Pearl Island (3-storey terraced house sold at RM730,000) and Casuarina, The Isle of Conifer, Setia Pearl Island (3-storey terraced house selling from RM871,914).

Launch date of Sunway Aspera was in February 2010 and March 2010 respectively.

Note 2: Development Period

We note that the development of the subject property has already commenced. Hence, we have adopted a development period of 1.5 years in our valuation.

8. VALUATION CERTIFICATES (*cont'd*)**Knight Frank**

Lot Nos. 337, 1472, 1473, 1475, 1476, 1477, 1478, 1479, 1480, 1512, 1515 & 1517
All within Mukim 12, Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(E)/vt

**20.0 VALUATION CERTIFICATE****20.1 IDENTIFICATION OF PROPERTY**

Type of Property Twelve (12) contiguous parcels of vacant development land.
Title Particulars The following table outlines the title particulars of the Subject Property.

Summary of Title Particulars

Lot Nos.	: Lot Nos. 337, 1472, 1473, 1475, 1476, 1477, 1478, 1479, 1480, 1512, 1515 & 1517, all within Mukim 12, Daerah Barat Daya, Pulau Pinang.
Total Land Area	93,568.84 square metres.
Tenure	: Interest-in-perpetuity, in respect of all titles.
Registered Proprietor	: Sunway Grand Sdn. Bhd (a wholly-owned subsidiary of Sunway City Berhad), In respect of all titles.
Category Of Land Use	: <u>Lot Nos. 1472, 1473, 1476, 1479, 1480, 1512 & 1517</u> : 'Tiada'. <u>Lot Nos. 337, 1475, 1477, 1478 & 1515</u> : 'Bangunan'.

20.2 PROPERTY DESCRIPTION

Property Description / Location The subject property is an on-going residential development located off Jalan Pematang Damar Laut, at the south-eastern flank of Penang island.

Sunway Cassia is an on-going landed residential development located off Jalan Pematang Damar Laut. It will be developed in several phases. Phase 1 has been approved with planning permission and upon completion, it will comprise 33 units of 3-storey terraced houses. Application for planning permission for the subsequent phases has been submitted by the client and is still under consideration.

Planning Approval

The subject property is located within an area designated for residential use except for Lot Nos. 1479 and 1480 which are still under agriculture zoning.

Part of the subject property (Parcel B) has been approved for a residential development comprising 33 units of 3-storey terraced houses by Majlis Perbandaran Pulau Pinang vide:-

- i) Planning Permission Approval dated 26th May 2010.
- ii) Building Plan Approval dated 13th December 2010.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



Lot Nos. 337, 1472, 1473, 1475, 1476, 1477, 1478, 1479, 1480, 1512, 1515 & 1517
All within Mukim 12, Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(E)/vt

20.3 MARKET VALUE

Date of Valuation 9th February 2011.

Valuation Methodology For the purpose of this valuation, we have adopted the **Comparison Method** of Valuation as the principal approach in our Valuation.

Market Value RM48,400,000.

Sales Comparison and Analysis					
	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Identification	Lot Nos. 1473, 1478, 1515, 1517, 1476 & 337 held under Title Nos. GM 893, GM 898, GM 710, GM 711, GM 896 & GM 545 respectively, all within Mukim 12, Daerah Barat Daya, Pulau Pinang	Lot Nos. 5784, 690, 1046, 1348, 10493, 423, 1048, 1022, 1023 & 1779 held under Title Nos. GRN 29011, GM 468, GM 773, GM 1178, GRN 67629, GM 1063, GM 774, GM 770, GM 39 & GRN 44624, all within Mukim 12, Daerah Barat Daya, Pulau Pinang	Lot Nos. 359, 362 & 553 held under Title Nos. GM 617, GM 503 & GM 537 respectively, all within Mukim 11, Daerah Barat Daya, Pulau Pinang	Lot No. 463 held under Title No. 1102, Mukim 12, Daerah Barat Daya, Pulau Pinang	Lot Nos. 570 & 808 & PT 806 held under Title Nos. GM 475, GM 466 & HS(M) 635 respectively, all within Mukim 11, Daerah Barat Daya, Pulau Pinang
Locality / Location	Off Jalan Permatang Damar Laut	Jalan Batu Maung & Off Jalan Permatang Damar Laut	Jalan Permatang Damar Laut	Lebuh Batu Maung 2	Jalan Permatang Damar Laut
Tenure	Interest-in-perpetuity (in respect of all titles)	Interest-in-perpetuity (in respect of all titles)	Interest-in-perpetuity (in respect of all titles)	Interest-in-perpetuity (in respect of all titles)	Interest-in-perpetuity (in respect of all titles)
Consideration	RM22,082,568	RM127,750,000	RM8,004,720	RM13,000,000	RM8,268,904
Date	3 rd October 2007	13 th June 2007	13 th July 2010	15 th July 2009	24 th December 2009
Planning	"Perumahan Am"	"Perumahan Am"	"Perumahan Am"	"Perumahan Am"	"Perumahan Am"
Property Type	Six contiguous parcels of development land	Ten parcels of development land	Three contiguous parcels of development land	A parcel of development land	Three parcels of development land
Analysis	RM33.00 psf	RM45.61 psf	RM60.00 psf	RM71.59 psf	RM57.00 psf
Adjustments	Upward adjustment is made for title because Lots 337, 1478 & 1515 are Non First Grade titles. Downward adjustment is made for size as the comparable has a smaller land area.	Downward adjustments are made for location, zoning & feature as the comparable is located within a more established area, fronts onto sea (part of Lot 5784) & about 1/3 of the land is zoned "Pelancong Am", respectively. Downward adjustments are also made for shape and size as the comparable site is rectangular in shape and smaller in size.	Upward adjustment is made for location as the comparable is located within a less established area, surrounded by "kampong" houses. Downward adjustments are made for size and density as the comparable has a smaller land area and higher permissible density.	Downward adjustment is made for location as the comparable is located within a more established area. Downward adjustments are also made for shape and size as the comparable site is rectangular in shape and smaller in size.	Upward adjustment is made for location as the comparable is located within a less established area, surrounded by "kampong" houses. Downward adjustments are made for size and density as the comparable has a smaller land area and higher permissible density.
Effective Adjusted Value	RM45.67 psf	RM47.90 psf	RM48.00 psf	RM50.11 psf	RM45.60 psf

8. VALUATION CERTIFICATES (*cont'd*)**Knight Frank**

Lot Nos. 337, 1472, 1473, 1475, 1476, 1477, 1478, 1479, 1480, 1512, 1515 & 1517
All within Mukim 12, Daerah Barat Daya, Pulau Pinang

Reference No. : V/PG/11/050(E)/vt

**Valuation Rational**

From the adjusted values, we note that the values derived range between RM45.60 per square foot to RM50.11 per square foot.

In reconciling our opinion of Market Value, we have placed greater emphasis on Comparable Nos. 1 to 3 as they have significant similarities with the Subject Property after making the necessary adjustments.

Having regards to the foregoing, we have adopted the following values for the various parcels:

1) Parcel A:

This parcel is made of Lot Nos. 337, 1475, 1477, 1478 & 1512 and parts of Lot Nos. 1472, 1473, 1476, 1515 & 1517. It has a total land area of 699,405 square feet. For this parcel of land, we have adopted a value of RM48.00 per square foot as a fair representation.

2) Parcel B:

This parcel is made up of parts of Lot Nos. 1472, 1473, 1476, 1515 & 1517. It has a total land area of 161,591 square feet. This parcel has approved building plans and planning permission for the development of Sunway Cassia Phase 1 (33 units of 3-storey terraced house). For this parcel of land, we have adopted the value of RM52.80 per square foot as a fair representation.

3) Parcel C:

This parcel is made up of Lot Nos. 1479 & 1480. It is still under agricultural zoning. It has a total land area of 146,171 square feet. For this parcel of land, we have adopted the value of RM43.20 per square foot as a fair representation.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) MALAYSIAN VALUATION STANDARDS

The Valuation Report is carried out in accordance with the Manual of Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) CONFIDENTIALITY

Our Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part, nor reference thereto may be included in any published document, statement or circular, or published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publication of our Valuation Report, whether in part or in whole.

3) USE OF REPORT

The opinion of value expressed in this Report is addressed to the client only and shall be used for the purpose stated or intended in this Report only. We are not responsible for any consequences arising from the Valuation Report being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) SOURCE OF INFORMATION

Where it is stated in the Report that information has been supplied by the sources listed, this information is believed to be reliable and no responsibility is accepted should it prove not to be so nor warranty of any kind, be it express or implied, is intended. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with the relevant authorities. This Report has been prepared on the basis that full disclosure of all information and facts which may affect the Valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) LEGAL TITLE

Whenever possible, a private title search is conducted at the relevant Land Registry/Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry/Office.

6) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our Valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation by the competent authority.

8. VALUATION CERTIFICATES (cont'd)

Knight Frank



7) LEASES AND TENANCIES

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and/or warranties.

8) DEVELOPMENT AGREEMENTS

Unless otherwise stated, no allowances are made in our valuation for any joint venture agreement, development right agreement or other similar contracts.

9) MEASUREMENTS

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Institution of Surveyors, Malaysia.

10) SITE SURVEYS

We have not conducted any boundary checks; however, we assume that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) STRUCTURAL SURVEYS

We have not carried out a building survey nor any testing of services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) SITE CONDITIONS

We do not carry out investigations on the property or neighbouring land (including the past and present uses) in order to determine the suitability of the ground conditions (including contamination or potential for contamination) and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our Valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

13) DELETERIOUS OR HAZARDOUS MATERIALS

No investigation has been carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property, or has since been incorporated and we are therefore unable to account or report for such in the Report.

14) DISEASES AND INFESTATIONS

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any test to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Report.

15) OUTSTANDING DEBTS

In the case of buildings where works are in hand or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings.

17) ATTENDANCE

The instruction and the valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the Valuation unless agreed when the instruction is given.

8. VALUATION CERTIFICATES *(cont'd)*

Valuation Certificates from CH Williams Talhar & Wong Sdn Bhd

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong**C H Williams Talhar & Wong Sdn Bhd** (18149-U)Juruukur Berkanun
Chartered SurveyorsPerunding Harta Antarabangsa
International Property Consultants

30-01, 30th Floor
Menara Multi-Purpose
@ CapSquare
8 Jalan Munshi Abdullah
P O Box 12157
50100 Kuala Lumpur
Malaysia
T : 03-2616 8888
F : 03-2616 8899
E : kualalumpur@wtw.com.my
Website: www.wtw.com.my

Report and Valuation

Our Ref: WTW/01/V/000286/2011/HKH

Date : 02 AUG 2011

SUNWAY HOLDING BERHAD

Level 17, Menara Sunway
Jalan Lagoon Perdana
Bandar Sunway
46150 Petaling Jaya
Selangor

Dear Sirs

CERTIFICATE OF VALUATION OF SEVEN (7) PROPERTIES BELONGING TO SUNWAY HOLDINGS BERHAD

We refer to your instructions to carry out a formal valuation on the above-mentioned properties in providing our opinion of Market Value of the properties as at 31 December 2010 for the purpose of submission to the Securities Commission, Malaysia in relation to the proposed listing exercise of Sunway on the Main Market of Bursa Malaysia Securities Berhad.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions for the inclusion in the Prospectus of Sunway Berhad (formerly known as Alpha Sunrise Sdn Bhd) ("Sunway") in relation to the listing exercise of Sunway on the Main Market of Bursa Malaysia Securities Berhad.

The basis of the valuation is Market Value which is defined by the International Valuation Standards (IVS) and the Malaysian Valuation Standards (MVS) to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The valuations for the properties have been carried out by using appropriate methods of valuation such as Comparison Method, Residual Method and Investment Method vide our respective Valuation Reports under Reference Nos. as listed in the following schedule. This Valuation Certificate should be read in conjunction with the full valuation reports prepared by C H Williams Talhar & Wong for submission to the Securities Commission which detailed the basis under which the valuations have been prepared.

Kuala Lumpur Petaling Jaya Penang Johor Bahru Kuantan Malacca Ipoh Alor Star Kota Bharu Butterworth Batu Pahat Kuala Terengganu Seremban
Kota Kinabalu Sandakan Tawau Lahad Datu Labuan Keningau Kuching Miri Sibul Bintulu Brunei

Established since 1960



V(1)0010

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286/2011/HKH

Page 2

1.0 SUMMARY OF VALUE

No	Property Details	Market Value
On-going Housing Developments		
1	Sunway Alam Suria The on-going residential development known as Sunway Alam Suria, Seksyen U10, Shah Alam, Selangor (Our Ref : WTW/01/V/000286A/11/ONG/wk)	RM61,600,000/-
2	Sunway Rydgeway An on-going gated community residential development known as Sunway Rydgeway, Ulu Kelang, Selangor (Our Ref : WTW/02/V/000491A/11/CTT)	RM37,000,000/-
Vacant Development Land / Vacant Agricultural Land with Development Potential		
3	PT 11894, Lot 21, Section 19 and Lot 14256, Section 19 Three (3) parcels of contiguous building title housing development land located within Taman Bukit Putra, Rawang, Selangor (Our Ref : WTW/01/V/000286B/11/ONG/wk)	RM60,000,000/-
4	Lot Nos. 1352, 1355, 1401, 1404, 1405, 1410, 1412, 1413, 1684 and PT 52261 Ten (10) parcels of agricultural lands with development potential located off SILK Highway, Cheras, Selangor (Our Ref : WTW/02/V/000491/11/CTT)	RM42,000,000/-
Commercial Buildings		
5	Wisma Sunwaymas 12 units of office suites measuring approximately 14,636 square metres together with 400 car parking bays located within Wisma Sunwaymas, Section 9, Shah Alam, Selangor (Our Ref : WTW/01/V/000286C/11/LAI/wk)	RM44,000,000/-
6	Subang Square 28 office units within Corporate Tower, 6 office units within Business Park, 3 retail units within Shopping Gallery together with 760 car parking bays located within Subang Square, SS15 Subang Jaya, Selangor (Our Ref : WTW/01/V/000286D/11/LAI/wk)	RM33,320,000/-
7	Sunway PJ@51A 6 units of strata showrooms located at the ground, first and second floors together with 449 car parking bays located within PJ51A, SS 9A, Petaling Jaya, Selangor (Our Ref : WTW/02/V/000491B/11/PZT)	RM41,000,000/-
TOTAL MARKET VALUE		RM318,920,000/-

2.0 METHODS OF VALUATION

We have adopted the following Methods of Valuation:-

- i) Comparison Method for Vacant Development Land, Vacant Agricultural Land with Development Potential, Completed and Unsold Units and Commercial Buildings
- ii) Residual Method for On-going Housing Developments
- iii) Investment Method for Commercial Buildings.

Comparison Method	The Comparison Method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, terrain, size and shape of land, age and condition of building(s), tenure, title restrictions if any and other relevant characteristics to arrive at the market value.
Residual Method	Under the Residual Method, consideration is given to the gross development value of the project and deducting therefrom the estimated costs of development including preliminaries, development and statutory charges, construction costs and professional fees, financing charges and developer's profit and resultant amount deferred over a period of time for the completion of the project
Investment Method	The Investment Method entails determining the net annual income by deducting the annual outgoings from the gross annual income, and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

Brief identification of property, general description and market value of each property are stated in the following pages:-

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 3

3.0 VALUATION CERTIFICATE FOR PROPERTIES BELONGING TO SUNWAY HOLDINGS BERHAD



3.1.1 – PROPERTY IDENTIFICATION / GENERAL DESCRIPTION

Sunway Alam Suria, Shah Alam is an ongoing housing development which sits on 100 acres of leasehold land. It is located within the locality of Section U10, 40170 Shah Alam, Selangor.

The subject property comprises 441-parcels of sub-divided residential lots held under leasehold 99-years expiring from 19/03/2016 to 05/04/2106. The category of land use for the subject property is 'Bangunan Kediaman' and the registered owner is USAHASEWA SDN BHD.

Brief description of the subject property is as follows:-

Phases	Lot Nos	Status	Type	No of Units	Standard Land Area for Intermediate Lot
Phase 1A	PT 19155	Completed - Unsold Unit	Double Storey Terraced House	1	1,432 square feet
Phase 2A	PT 19137	Completed - Unsold Unit	Double Storey Clustered House	1	1,948 square feet
Phase 1Biii	PT 19353 - PT 19394 (Inclusive)	Ongoing Development	Double Storey Terraced House	42	1,432 square feet
Phase 2B	PT 18928 - PT 18939 (Inclusive), PT 18976 - PT 19007 (Inclusive), PT 19044 - PT 19071 (Inclusive), PT 19108 - PT 19135 (Inclusive)	Ongoing Development	Double Storey Clustered House	100	1,948 square feet
Phase 1C	PT 19395 - PT 19539 (Inclusive)	Future Development	Vacant Plot - Double Storey Terraced House	145	1,432 square feet
Phase 2C	PT 19548 - PT 19691 (Inclusive)	Future Development	Vacant Plot - Double Storey Clustered House	144	1,948 square feet
Phase 3	PT 19540 - PT 19547 (Inclusive)	Future Development	Vacant Plot - Double Storey Semi-Detached House	8	4,499 square feet
Total				441	

Summary of the previous launching and completion of the phases are as follows:-

Phases	Type	No of Units	Launching	Completion
Phase 1A	Double Storey Terraced House	134	2004	2006
Phase 2A	Double Storey Clustered House	144	2006	2008
Phase 1Biii	Double Storey Terraced House	65	2006	2009

Based on the Sales Status Report as at 3 January 2011 and Billing and Collection Summary Report as at 3 January 2011, the sales status of Phase 1Biii and 2B and the total sales and amount billed to date of the subject development are as follows:-

Phases	Type	No of Unit Sold	No of Unsold Unit	Total	Total Sales	Amount Billed To date
Phase 1Biii	Double Storey Terraced House	28	14	42	RM11,671,000/-	RM1,704,200.00
Phase 2B	Double Storey Clustered House	81	19	100	RM42,937,890/-	RM19,180,288.50
Total		109	33	142	RM54,608,890/-	RM20,884,488.50

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 4

3.1.1 – PROPERTY IDENTIFICATION / GENERAL DESCRIPTION (Cont'd)

As at 31 December 2010, the Progress Payment and Certified Amount as provided to us by the client are as follows:-

Type	Contract Sum (Inclusive of Variation Order)	Payment Certified as at 31 December 2010
Phase 1Biii - Double Storey Terraced House		
Contractors	RM8,581,053/-	RM479,747/-
Consultants	RM454,682/-	RM256,128/-
Total	RM9,035,736/-	RM735,875/-
Phase 2B - Double Storey Clustered House		
Contractors	RM21,526,637/-	RM15,042,997/-
Consultants	RM682,426/-	RM343,061/-
Total	RM22,209,063/-	RM15,386,058/-

3.1.2 – PLANNING PROVISIONS

The subject property is designated for residential use as per the Express Condition in the document of title.

3.1.3 – VALUE CONSIDERATION

We have adopted the following Method of Valuation:-

- i) Comparison Method for completed and unsold units;
- ii) Residual Method for ongoing development; and
- iii) Residual Method and Comparison Method for vacant and undeveloped plots

i) Phase 1A - Completed and unsold unit of double storey terraced house

In arriving at the market value of the subject property based on Comparison Method, we have considered the recent transactions of double storey terraced houses within the subject development and new launches of double storey terraced houses within the Sunway Alam Suria, Bandar Nusarhu and Denai Alam Shah Alam which ranging from RM383,000/- to RM554,000/- for similar property with a land area ranging from 1,400 sf to 1,985 sf.

We have also noted that the developer's selling price has increased substantially from RM383,000/- per unit in August 2010 to RM446,000/- per unit in January 2011. The average price is at RM400,000/- per unit.

As the subject scheme is an ongoing development with partly completion and lack of secondary transactions, we have adopted the Market Value of the completed and unsold intermediate unit of double storey terraced house is at **RM400,000/-**.

ii) Phase 2A - Completed and unsold unit of double storey clustered house

In arriving at the market value of the subject property based on Comparison Method, we have considered the recent transactions of double storey clustered houses with a land area of 1,948 sf within Sunway Alam Suria itself which ranging from RM473,000/- to RM582,000/-.

There are no double storey clustered houses developments within the surrounding locality. Based on the developer's selling price of similar development from February to December 2010, it is noted that the selling price has increased substantially from RM473,000/- per unit in February 2010 to RM582,000/- per unit in December 2010. The average price is at RM RM500,000/- per unit.

As the subject scheme is an ongoing development with partly completion and lack of secondary transactions, we have adopted the Market Value of the completed and unsold intermediate unit of double storey clustered house is at **RM500,000/-**.

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01N/000286A/11/ONG/wk
Page 5

3.1.3 -VALUE CONSIDERATION (Cont'd)

iii) Phase 1Biii - Ongoing double storey terraced house

In arriving at the market value of Phase 1Biii, Residual Method has been considered by taking into consideration of the total unit sold, amount billed and amount certified for the construction work done.

Residual Method(a) Gross Development Value (GDV)

We have adopted the total Gross Development Value (GDV) at RM16,632,489/- (after allowing bumiputera discount and the amount billed) as tabulated as below:-

Status	No of Units	Total Selling Price	Amount Billed / Bumiputra Discount	Balance amount / Total Selling Price after Allowing Bumiputra Discount	Justification
42 units of Double Storey Terraced House					
Sold	28	RM11,671,000/-	RM1,704,200/-	RM9,966,800/-	Based on our analysis of the transacted prices and developer's selling prices of similar houses within the subject scheme which ranging from RM383,000/- to RM446,000/- per unit as well as developers' selling prices in Bandar Nusa Rhu and Denai Alam at RM469,800/- (1,400 sf) and RM554,000/- (1,985 sf) respectively. Hence, we have adopted RM410,000/- per unit for intermediate lot.
Unsold	14	RM6,907,450/-	RM241,761/-	RM6,665,689/-	
Total	42	RM18,578,450/-	RM1,945,961/-	RM16,632,489/-	

(b) Gross Development Cost (GDC)

The subject property is an ongoing development with preliminary works done i.e. part of the contract sum have been paid or partially paid with Gross Development Cost (GDC) amounting to RM12,303,503/-.

The major items of the GDC are summarised as follows:-

Items	Rate Adopted	Justification
Building and Infrastructure Cost	RM197,143/- per unit	Analysed from the contract as provided to us which is in line with the industry standard.
Developer's Profit	15.0% of GDV	Based on our survey and enquiries with developers revealed that developer's profit of 15.0% of GDV is reasonable for a housing development.
Development Period	2 years	Subject phase is a small phase consisting of 42 units of double storey terraced houses. As at 31 December 2010, it has recorded that 67% has been sold and the subject scheme is under construction. Therefore, we have adopted an estimated the remaining development period of 2 years in our valuation
Discount Rate	8.5% per annum	In tandem with finance rate based our enquiries with financial institutions

Based on Residual Method, market value for Phase 1Biii is at **RM3,700,000/-**.

iv) Phase 2B - Ongoing double storey clustered house

In arriving at the market value of Phase 2B, Residual Method has been considered by taking into consideration of the total unit sold, amount billed and amount certified for the construction work done.

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 6

3.1.3 –VALUE CONSIDERATION (Cont'd)

Residual Method(a) Gross Development Value (GDV)

We have adopted the total Gross Development Value (GDV) at RM33,993,867/- (after allowing bumiputera discount and the amount billed) as tabulated as below:-

Status	No of Units	Total Selling Price	Amount Billed / Bumiputra Discount	Balance amount / Total Selling Price after Allowing Bumiputra Discount	Justification
100 units of Double Storey Clustered House					
Sold	81	RM42,937,890/-	RM19,180,229/-	RM23,757,661/-	Based on our analysis of the transacted prices and developer's selling prices of similar intermediate unit double storey clustered houses within the subject scheme which ranging from RM434,890/- to RM582,000/- per unit. Hence, we have adopted RM510,000/- per unit for intermediate lot.
Unsold	19	RM10,751,128/-	RM514,922/-	RM10,236,206/-	
Total	100	RM53,689,018/-	RM19,695,151/-	RM33,993,867/-	

(b) Gross Development Cost (GDC)

The subject property is an ongoing development with preliminary works done i.e. part of the contract sum have been paid or partially paid with Gross Development Cost (GDC) amounting to RM14,087,140/-.

The major items of the GDC are summarised as follows:-

Items	Rate Adopted	Justification
Building and Infrastructure Cost	RM214,957/- per unit	Analysed from the contract as provided to us which is in line with the industry standard
Developer's Profit	15.0% of GDV	Based on our survey and enquiries with developers revealed that developer's profit of 15.0% of GDV is reasonable for a housing development.
Development Period	1 year	Subject phase consist of 100 units of double storey clustered houses. As at 31 December 2010, it has recorded that 87% has been sold and the subject phase is in advance stage of construction. Therefore, we have adopted an estimated the remaining development period of 1 year in our valuation
Discount Rate	8.5% per annum	In tandem with finance rate based our enquiries with financial institutions

Based on Residual Method, market value for Phase 2B is at RM18,000,000/-.

v) **Phase 1C - Future development (Vacant terraced lots)**

In arriving at the market value of Phase 1C, Residual Method and Comparison Method have been adopted.

1. Residual Method(a) Gross Development Value (GDV)

Item	Rate Adopted	Justification
Double storey terraced houses	RM410,000/-	Selling price of the future phase's launched double storey terraced houses is derived based on our analysis of the developer's selling prices of similar intermediate unit houses within the subject scheme, ranging from RM383,000/- to RM446,000/- per unit as well as developer's launched price at Bandar Nusa Rhu and Denai Alam at RM469,800/- (1,400 sf) and RM554,000/- (1,985 sf) respectively

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong



C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 7

3.1.3 -VALUE CONSIDERATION (Cont'd)

v) **Phase 1C - Future development (Vacant terraced lots) (Cont'd)**(b) **Gross Development Cost (GDC)**

The Gross Development Cost (GDC) is estimated at RM39,306,981/- and the major items of the GDC are summarised as follows:-

Items	Rate Adopted	Justification
Building Cost	RM85.00 per square foot	Based on our survey and enquiries with developers revealed that building cost adopted is in line with the industry standard
Infrastructure Cost	RM25,000/- per unit	Based on our survey and enquiries with developers revealed that infrastructure cost adopted is in line with the industry standard
Developer's Profit	15.0% of GDV	Based on our survey and enquiries with developers revealed that developer's profit of 15.0% of GDV is reasonable for a housing development.
Development Period	3.5 years	Subject phase consist of 145 units of double storey terraced houses. Estimation of development period is about 3.5 years. As there are unsold units available for ongoing scheme. This phase will be launched ½ year later
Discount Rate	8.5% per annum	In tandem with finance rate based our enquiries with financial institutions

Based on Residual Method, market value for Phase 1C is at RM17,000,000/-.

2. **Comparison Method**

As a check, Comparison Method has been adopted. It is noted that there are no recent recorded transactions of terraced plots within the surrounding locality. Therefore, we have considered development lands within larger locality to derive at the market value. The analysis is as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Lot No	PT 129227	Lot 1909	Lot 15786
Location	Kota Bayuemas	Off Jalan Bukit Kemuning	Rawang
Type	Agricultural Land with Development Potential	Agricultural Land with Development Potential	Residential Land
Tenure	Freehold	Freehold	Freehold
Land Area	56.570 acres	4.468 acres	22.158 acres
Date	30/12/2009	30/12/2009	09/08/2010
Consideration	RM41,989,661/-	RM4,282,732/-	RM17,373,580/-
Adjustments	<p><u>Upward</u></p> <ul style="list-style-type: none"> Time factor - Improved market condition Size - Subject property with smaller size Land Use - Comparable with agricultural title Others - Comparable is without subdivided title and major infrastructure work <p><u>Downward</u></p> <ul style="list-style-type: none"> Location - Subject property is located at better location Tenure - Subject property is held under freehold title document 	<p><u>Upward</u></p> <ul style="list-style-type: none"> Time factor - Improved market condition Land Use - Comparable with agricultural title Others - Comparable is without subdivided title and major infrastructure work <p><u>Downward</u></p> <ul style="list-style-type: none"> Location - Subject property is located at better location Size - Subject property with bigger size Tenure - Subject property is held under freehold title document 	<p><u>Upward</u></p> <ul style="list-style-type: none"> Time factor - Improved market condition Location - Comparable is situated within outskirts area Others - Comparable is without subdivided title and major infrastructure work <p><u>Downward</u></p> <ul style="list-style-type: none"> Accessibility - Comparable located near to North-South Highway Tenure - Subject property is held under freehold title document
Adjusted Land Value	RM23.26 psf	RM23.11 psf	RM22.14 psf

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 8**3.1.3 –VALUE CONSIDERATION (Cont'd)****v) Phase 1C - Future development (Vacant terraced lots) (Cont'd)**

The recorded evidences have been analysed taking into consideration of various factors such as time, location, exposure / visibility / accessibility, size, tenure and status of land use to arrive at the adjusted land value ranging from RM22.14 to RM23.26 per square foot.

We have adopted Comparables 1 as the most appropriate comparable as it is the latest comparable. Therefore, we have adopted RM23.00 per square foot in our valuation.

The estimated gross land area for this phase is 16.26 acres. Hence the Market Value based on Comparison Method is RM16,000,000/-.

Reconciliation of Value

We have valued the subject property based on the above mentioned Residual Method and Comparison Methods of Valuation. The values derived are as follows:-

Residual Method	Comparison Method
RM17,000,000/-	RM16,000,000/-

We are of the opinion that the Residual Method is the most appropriate method of valuation as the subject property is with the benefit of Development Order, subdivided and issued with individual title (terrace plots), as well as earthwork and major infrastructure works have been completed and ready for development. Hence, the Market Value for this phase is **RM17,000,000/-**.

vi) Phase 2C and 3 - Future development (Vacant clustered and semi-detached lots)

In arriving at the market value of Phase 2C and 3, Residual Method and Comparison Method have been adopted.

1. Residual Method**(a) Gross Development Value (GDV)**

Item	Rate Adopted	Justification
Double storey clustered houses	RM510,000/-	Selling price of the future phase's launched double storey clustered houses is derived based on our analysis of the developer's selling prices of similar intermediate unit double storey clustered houses within the subject scheme, ranging from RM434,890/- to RM582,000/- per unit

(b) Gross Development Cost (GDC)

The Gross Development Cost (GDC) is estimated at **RM52,504,290/-** and the major items of the GDC are summarised as follows:-

Items	Rate Adopted	Justification
Building Cost	RM120.00 per square foot	Based on our survey and enquiries with developers revealed that building cost adopted is in line with the industry standard
Infrastructure Cost	RM30,000/- per unit to RM40,000 per unit	Based on our survey and enquiries with developers revealed that infrastructure cost adopted at RM30,000/- and RM40,000/- per unit for clustered and semi-detached houses is in line with the industry standard
Developer's Profit	15.0% of GDV	Based on our survey and enquiries with developers revealed that developer's profit of 15.0% of GDV is reasonable for a housing development.
Development Period	4.0 years	Subject phase comprises 144 units and 8 units of clustered and semi-detached houses. Estimation of development period is 4.0 years. As there are two ongoing phases, this phase will be launched one year later
Discount Rate	8.5% per annum	In tandem with finance rate based our enquiries with financial institutions

Based on Residual Method, the total market value for Phase 2C and 3 is at RM22,000,000/-.

8. VALUATION CERTIFICATES (cont'd)

C H Williams Talhar & Wong

C H Williams Talhar & Wong Sdn Bhd (18149-U)

Our Ref: WTW/01/V/000286A/11/ONG/wk
Page 9**3.1.3 -VALUE CONSIDERATION (Cont'd)****vi) Phase 2C and 3 - Future development (Vacant clustered and semi-detached lots) (Cont'd)****2. Comparison Method**

We have adopted the same comparables of development lands as per Phase 1C.

The analyzed land value for Phase 1C (vacant terraced plots) is at RM23.00 per square foot.

Downward adjustment has been considered for density and adjusted land value for (vacant clustered / semi-detached plots) is at RM21.00 per square foot.

The estimated gross land area for this phase is 26.05 acres. Hence the Market Value based on Comparison Method is RM24,000,000/-.

Reconciliation of Value

We have valued the subject property based on the above mentioned Residual Method and Comparison Methods of Valuation. The values derived are as follows:-

Residual Method	Comparison Method
RM22,000,000/-	RM24,000,000/-

We are of the opinion that the Residual Method is the most appropriate method of valuation as the subject property is with the benefit of Development Order, subdivided and issued with individual title (clustered / semi-detached plots), as well as earthwork and major infrastructure works have been completed and ready for development. Hence, the Market Value for this phase is **RM22,000,000/-**.

3.1.4 -VALUATION

Taking into consideration the above factors, we therefore assess the market value of the subject property as at 31 December 2010 with permission to transfer, lease or charge and free from all encumbrances is as follows:-

Phase	Lot No	Market Value
Phase 1A	PT 19155	RM400,000/-
Phase 2A	PT 19137	RM500,000/-
Phase 1Biii	PT 19353 - PT 19394 (Inclusive)	RM3,700,000/-
Phase 2B	PT 18928 - PT 18939 (Inclusive), PT 18976 - PT 19007 (Inclusive), PT 19044 - PT 19071 (Inclusive) and PT 19108 - PT 19135 (Inclusive)	RM18,000,000/-
Phase 1C	PT 19395 - PT 19539 (Inclusive)	RM17,000,000/-
Phase 2C and 3	PT 19548 - PT 19691 (Inclusive) and PT 19540 - PT 19547 (Inclusive)	RM22,000,000/-
Total		RM61,600,000/-

The total market value for Sunway Alam Suria is **RM61,600,000/- (Ringgit Malaysia : Sixty One Million and Six Hundred Thousand Only).**