

Unless otherwise stated, all abbreviations contained in this abridged prospectus are defined in the 'Definitions' section of this abridged prospectus.

**THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.** All enquiries concerning the Rights Issue should be addressed to our Share Registrar at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

This AP is issued in compliance with the laws of Malaysia only. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of Entitled Shareholders and/or their renounee(s) (if applicable) who are or may be subject to the laws of countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s) (if applicable) should note the additional terms and restrictions as set out in Section 11.6 of this AP. Neither we nor RHB Investment Bank shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be) made by Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from our shareholders at the EGM held on 27 June 2013. Approval has been obtained from Bursa Securities vide its letter dated 5 June 2013 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares will commence after, amongst others, the receipt of confirmation from Bursa Depository that the Rights Shares are ready to be credited into the CDS Accounts of Entitled Shareholders and/or their renounee(s) (if applicable) and notices of allotment have been despatched to them. Admission to the Official List of Bursa Securities and quotation for the Rights Shares are in no way reflective of the merits of the Rights Issue.

Our Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

RHB Investment Bank, being our Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.



**SUNWAY**

**SUNWAY BERHAD**

(Company No.: 921551-D)

(Incorporated in Malaysia under the Companies Act, 1965)

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 568,702,201 NEW ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.70 ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY HELD BY OUR SHAREHOLDERS AS AT 5.00 P.M. ON 15 JULY 2013 ("RIGHTS ISSUE")**

*Adviser*



**RHB Investment Bank Berhad**

(Company No.: 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

**IMPORTANT RELEVANT DATES AND TIMES**

Entitlement Date.....: Monday, 15 July 2013 at 5.00 p.m.

**LAST DATES AND TIMES FOR:**

Sale of Provisional Rights Shares .....: Monday, 22 July 2013 at 5.00 p.m.

Transfer of Provisional Rights Shares .....: Thursday, 25 July 2013 at 4.00 p.m.

Acceptance and payment for Provisional Rights Shares.....: Tuesday, 30 July 2013 at 5.00 p.m.\*

Excess Application and payment for Excess Rights Shares .....: Tuesday, 30 July 2013 at 5.00 p.m.\*

\* or such later date and time as our Board may decide and announce not less than two Market Days before the stipulated date and time.

This AP is dated 15 July 2013

**THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

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

**SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.**

**WE AND OUR ADVISER FOR THE RIGHTS ISSUE HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.**

**DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this AP:

Abridged Prospectus or AP	: This abridged prospectus dated 15 July 2013 in relation to the Rights Issue
Act	: Companies Act, 1965 as amended from time to time and includes any re-enactment thereof
Additional Sunway Warrants	: New Sunway Warrants to be issued pursuant to adjustments made in accordance with the provisions of the Deed Poll as a result of the Rights Issue
BNM	: Bank Negara Malaysia
Board	: Board of Directors of our Company
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd.
Bursa Securities	: Bursa Malaysia Securities Berhad
CDS Account(s)	: Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor
Controller	: Controller of Foreign Exchange of BNM
Corporate Exercises	: The Rights Issue and ESOS, collectively
Deed Poll	: The deed poll dated 28 June 2011 governing the Sunway Warrants
Documents	: The AP, NPA and RSF, collectively
EGM	: Extraordinary General Meeting
Entitled Shareholder(s)	: Our shareholder(s) whose name(s) appear in our Record of Depositors on the Entitlement Date
Entitlement Date	: 5.00 p.m. on 15 July 2013, being the time and date on which our shareholders must be registered in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	: Earnings per Share
ESOS or Scheme	: Employees' share option scheme for the grant of ESOS Option(s) to any employee(s) and/or Executive Directors of our Group (excluding any subsidiaries which are dormant) to subscribe for ESOS Shares in accordance with the provisions of the by-laws of the ESOS and such scheme shall be known as the "Sunway Berhad Employees' Share Option Scheme 2013/2019"
ESOS Option(s)	: The right to subscribe for ESOS Shares in accordance with the by-laws of the ESOS
ESOS Shares	: New Sunway Shares which will be issued upon the exercise of the ESOS Options
Evan Cheah	: Evan Cheah Yean Shin
Excess Application	: Application(s) for additional Rights Shares in excess of an Entitled Shareholder's entitlement under the Rights Issue as set out in Section 11.3 of this AP
Excess Rights Shares	: Rights Shares which are not taken up or not validly taken up by Entitled Shareholders and/or their renouneece(s)

**DEFINITIONS (Cont'd)**

Executive Director(s)	: Those directors(s) who is/are involved in the day-to-day management and is/are on the payroll of any company comprised in our Group (excluding any dormant subsidiaries)
FPE	: Financial period ended / ending (whichever is applicable)
FYE	: Financial year ended / ending (whichever is applicable)
Issue Price	: The issue price for each Rights Share, being RM1.70
Listing Requirements	: Main Market Listing Requirements of Bursa Securities as amended from time to time
LPD	: 15 June 2013, being the latest practicable date prior to the registration of this AP with the SC
Market Day(s)	: Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for trading of securities
Minimum Subscription Level	: The minimum level of subscription pursuant to the Rights Issue, being TSJC Group's full entitlement to the Rights Shares as at the Entitlement Date
NA	: Net assets
NPA	: Notice of provisional allotment in relation to the Rights Issue
Offer Date	: The date on which an ESOS offer is made by the committee of the Scheme to the Executive Directors and employees of our Group (excluding any subsidiaries which are dormant), which shall fall on any date within the period of three years commencing from the date on which the first batch of such offers are made by the committee of the Scheme to the Executive Directors and employees of our Group
Outstanding Sunway Warrants	: All the 258,490,972 outstanding Sunway Warrants as at LPD
Provisional Rights Shares	: Rights Shares provisionally allotted to Entitled Shareholders
Record of Depositors	: A record of securities holders established by Bursa Depository under Chapter 24.0 of the Rules of Bursa Depository
RHB Investment Bank	: RHB Investment Bank Berhad
Rights Issue	: Renounceable rights issue of up to 568,702,201 Rights Shares at the Issue Price on the basis of one Rights Share for every three Sunway Shares held by the Entitled Shareholders on the Entitlement Date
Rights Share(s)	: New Sunway Share(s) to be issued pursuant to the Rights Issue
RSF	: Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	: The rules of Bursa Depository as issued pursuant to the SICDA including any amendments thereto that may be made from time to time
SC	: Securities Commission Malaysia
Share Registrar	: Sunway Management Sdn Bhd

**DEFINITIONS (Cont'd)**

SICDA	:	Securities Industry (Central Depositories) Act, 1991 including any amendments thereto that may be made from time to time
State Authority	:	As defined in Land Acquisition Act, 1960
Subscription Undertaking	:	The irrevocable and unconditional written undertakings dated 17 May 2013 by the TSJC Group to subscribe in full for their entitlement under the Rights Issue as at the Entitlement Date
Sunway or Company	:	Sunway Berhad
Sunway Group or Group	:	Our Company and our subsidiaries
Sunway REIT	:	Sunway Real Estate Investment Trust
Sunway Share(s) or Share(s)	:	Ordinary share(s) of RM1.00 each in our Company
Sunway Warrants	:	Warrants 2011/2016 issued by our Company on 18 August 2011 that are due to expire on 17 August 2016
SWCSB	:	Sungei Way Corporation Sdn Bhd
TERP	:	Theoretical ex-rights price
TSJC	:	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
TSJC Group	:	SWCSB, TSJC, Sarena Cheah, Evan Cheah, Jef-San Enterprise Sdn Bhd and Active Builder Sdn Bhd
Sarena Cheah	:	Sarena Cheah Yean Tih
VWAP	:	Volume weighted average market price
Warrantholders	:	The holders of the Sunway Warrants

**Terms on currency**

RM and sen	:	Ringgit Malaysia and sen, respectively
\$ or SGD	:	Singapore Dollars
USD	:	US Dollars
TTD	:	Trinidad and Tobago Dollar
CNY	:	Renminbi
IDR	:	Indonesian Rupiah
AUD	:	Australian Dollar
MOP	:	Macau Pataca
INR	:	Indian Rupee
MMK	:	Myanmar Kyat

**DEFINITIONS (Cont'd)**

THB : Thai Baht

**Rounding**

Throughout this AP, for ease of reading, certain figures have been rounded.

All references to “**our Company**” in this AP are to Sunway and references to “**our Group**” are to our Company and our subsidiaries, collectively.

All references to “**you**” and “**your**” in this AP are to our Entitled Shareholders. References to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and where the context otherwise requires, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference herein to any statute is a reference to that statute as amended from time to time or re-enacted. Any reference to a time of day herein shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company such as quarterly results and annual reports, are due to rounding.

**Exchange Rate**

Unless otherwise stated, the following exchange rate as at LPD has been used in this AP:

SGD1.00	=	RM2.50
USD1.00	=	RM3.12
TTD1.00	=	RM0.49
CNY1.00	=	RM0.51
IDR100	=	RM0.03
AUD1.00	=	RM2.99
MOP1.00	=	RM0.39
INR100	=	RM5.41
THB100	=	RM10.22
MMK100	=	RM0.33

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**CORPORATE DIRECTORY****OUR BOARD**

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

**AUDIT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Wong Chin Mun	Member	Independent Non-Executive Director
Lim Swe Guan	Member	Independent Non-Executive Director

**COMPANY SECRETARIES**

: Tan Kim Aun (MAICSA 7002988)  
29, Jalan Midah 2  
Taman Midah  
56000 Kuala Lumpur

Chin Lee Chin (MAICSA 7012347)  
R18-06, Block D'Aman Ria  
No. 3, Jalan PJU 1A/41  
Ara Jaya  
47301 Petaling Jaya  
Selangor Darul Ehsan

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**CORPORATE DIRECTORY (Cont'd)**

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- REGISTERED OFFICE AND HEAD/MANAGEMENT OFFICE** : Level 16, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan
- Tel. No.: (603) 5639 8889  
Fax. No.: (603) 5639 9507  
Email: [irsunway@sunway.com.my](mailto:irsunway@sunway.com.my)  
Website: [www.sunway.com.my](http://www.sunway.com.my)
- AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE** : Ernst & Young  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur
- Tel. No.: (603) 7495 8000  
Fax. No.: (603) 2095 5332
- SOLICITORS FOR THE RIGHTS ISSUE** : Lee Hishammuddin Allen & Gledhill  
Level 16, Menara Tokio Marine Life  
189, Jalan Tun Razak  
50400 Kuala Lumpur
- Tel. No.: (603) 2161 2330  
Fax. No.: (603) 2161 3933
- PRINCIPAL BANKERS**  
*(in alphabetical order)* : Affin Bank Berhad  
Menara AFFIN  
80, Jalan Raja Chulan  
50200 Kuala Lumpur
- Tel. No.: (603) 2055 9000  
Fax. No.: (603) 2026 1415
- HSBC Bank Malaysia Berhad  
North Tower, No 2 Leboh Ampang  
50100 Kuala Lumpur
- Tel. No.: (603) 2075 3000  
Fax. No.: (603) 2070 1146
- Malayan Banking Berhad  
Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur
- Tel. No.: (603) 2070 8833  
Fax. No.: (603) 2070 2611
- Public Bank Berhad  
Menara Public Bank  
146, Jalan Ampang  
50450 Kuala Lumpur
- Tel. No.: (603) 2176 6000/6666  
Fax. No.: (603) 2163 9917

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**CORPORATE DIRECTORY (Cont'd)**

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**PRINCIPAL BANKERS (Cont'd)**  
*(in alphabetical order)*

RHB Bank Berhad  
Level 10, Tower One, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

Tel. No.: (603) 9287 8888  
Fax. No.: (603) 9287 9000

Standard Chartered Bank Malaysia Berhad  
Menara Standard Chartered  
30, Jalan Sultan Ismail  
50250 Kuala Lumpur

Tel. No.: (603) 2117 7777  
Fax. No.: (603) 2117 7610

**SHARE REGISTRAR**

: Sunway Management Sdn Bhd  
Level 16, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan

Tel. No.: (603) 5639 8889  
Fax. No.: (603) 5639 9507

**ADVISER**

: RHB Investment Bank Berhad  
Level 10, Tower One, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur

Tel. No.: (603) 9287 3888  
Fax. No.: (603) 9287 2233/3355

**STOCK EXCHANGE LISTED AND LISTING SOUGHT**

: Main Market of Bursa Securities



**SUNWAY**

**SUNWAY BERHAD**

(Company No.: 921551-D)

(Incorporated in Malaysia under the Companies Act, 1965)

**Registered Office**

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

15 July 2013

**Board of Directors**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO (*Executive Chairman, Non-Independent Executive Director*)

Datuk Seri Razman M Hashim (*Deputy Executive Chairman, Non-Independent Executive Director*)

Dato' Chew Chee Kin (*President, Non-Independent Executive Director*)

Sarena Cheah Yean Tih (*Non-Independent Executive Director*)

Wong Chin Mun (*Independent Non-Executive Director*)

Lim Swe Guan (*Independent Non-Executive Director*)

**To: Our Entitled Shareholders**

Dear Sir / Madam,

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 568,702,201 NEW ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY AT AN ISSUE PRICE OF RM1.70 ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY HELD BY OUR SHAREHOLDERS AS AT 5.00 P.M. ON 15 JULY 2013**

**1. INTRODUCTION**

On 5 April 2013, RHB Investment Bank had, on behalf of our Board, announced that our Company proposes to undertake the Corporate Exercises ("**Initial Announcement**").

Our Board had announced in the Initial Announcement that the total number of ESOS Shares shall not exceed 15% of the total issued and paid-up share capital of our Company.

On 20 May 2013, RHB Investment Bank had, on behalf of our Board, announced that our Board had decided to amend the total number of ESOS Shares to an amount not exceeding the aggregate of 10% of the total issued and paid-up share capital of our Company instead of 15%, which was disclosed in the Initial Announcement.

On 6 June 2013, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities has, vide its letter dated 5 June 2013, approved the following:

- (i) listing of up to 568,702,201 Rights Shares;
- (ii) listing of such number of ESOS Shares, representing up to 10% of the issued and paid-up ordinary share capital of our Company (excluding treasury shares);

- (iii) listing of up to 31,252,439 Additional Sunway Warrants; and
- (iv) listing of up to 31,252,439 additional Sunway Shares arising from the exercise of Additional Sunway Warrants.

The approval by Bursa Securities for the Corporate Exercises is subject to the following conditions:

- (1) Our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;
- (2) Our Company and RHB Investment Bank are to inform Bursa Securities upon the completion of the Rights Issue;
- (3) Our Company is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed;
- (4) RHB Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in the general meeting;
- (5) Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS Shares listed as at the end of each quarter together with details of the computation of listing fees payable; and
- (6) Our Company is to comply with Paragraph 6.56(1) of the Listing Requirements.

The conditions imposed by Bursa Securities will be complied with during and, where applicable, after the implementation of the Rights Issue.

In addition, the Controller took note, vide its letter dated 5 June 2013, of the issuance of Additional Sunway Warrants to our non-resident Warrantholders and any additional Sunway Warrants to be issued from time to time arising from any adjustments made pursuant to the provisions of the Deed Poll.

On 27 June 2013, our shareholders had approved, amongst others, the Rights Issue at our EGM. A certified true extract of the resolution pertaining to the Rights Issue passed at the aforesaid EGM is set out in Appendix I of this AP.

On 1 July 2013, RHB Investment Bank, had, on behalf our Board, announced that the Entitlement Date has been fixed at 5.00 p.m. on 15 July 2013.

No person is authorised to give any information or make any representation not contained in this AP and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank in connection with the Rights Issue.

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. PARTICULARS OF THE RIGHTS ISSUE**

### **2.1 Details of the Rights Issue**

The Rights Issue entails the provisional allotment of up to 568,702,201 Rights Shares at the Issue Price, on the basis of one Rights Share for every three existing Sunway Shares held by the Entitled Shareholders on the Entitlement Date.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements for the Rights Shares in full or in part.

Any Rights Shares which are not taken up or not validly taken up shall be made available for Excess Applications by you and/or your renounee(s) (if applicable) in the manner set out in Section 11.3 of this AP.

Any fractional entitlements of the Rights Shares under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deems fit or expedient, and in the best interest of our Company.

Upon allotment and issuance by our Company, the Rights Shares will be credited directly into your and/or your renounee(s)' respective CDS Accounts. No physical certificates will be issued to you and/or your renounee(s).

As you are an Entitled Shareholder, you will find enclosed with this AP, an NPA setting out the number of Provisional Rights Shares which you are entitled to subscribe for and a RSF which is to be used for the acceptance of the Provisional Rights Shares and for the Excess Application, should you wish to do so.

## **2.2 Basis of determination of and justification for the Issue Price**

The Issue Price has been determined by our Board at RM1.70 per Rights Share, after taking into consideration, amongst others, the following:

- (i) the funding requirements of our Company;
- (ii) the TERP of RM2.67, based on the VWAP of our Shares for the past five Market Days up to and including 4 April 2013, being the last trading day prior to the Initial Announcement, of RM2.99;
- (iii) the appropriate discount to the TERP; and
- (iv) par value of Sunway Shares of RM1.00 each.

The Issue Price represents a discount of approximately 36.3% to the TERP of RM2.67 and approximately 54.4% to the VWAP of our Shares for the five Market Days up to and including the LPD of RM3.73. The discount to the TERP is in line with precedent rights issue exercises and our Board is of the view that the discount will provide you with an attractive opportunity to increase your equity participation in our Company.

## **2.3 Ranking of the Rights Shares**

The Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer and other rights, including those arising on a liquidation of our Company) attaching to, the then Sunway Shares except that the Rights Shares so allotted will not be entitled to any rights, dividends, allotments or other distributions, the entitlement date of which is declared prior to the date of allotment of the Rights Shares.

## **2.4 Details of other corporate exercises**

Save for the Corporate Exercises, our Company does not have any other corporate exercise which have been approved by our shareholders and/or relevant authorities that are pending completion as at LPD.

### 3. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue would enable our Group to raise funds to part finance our capital expenditure which include expenditure for the development and expansion of our Group's existing and future business operations with regard to property investment and development, and acquisitions of landbank, property, plant and equipment. The proceeds may also be utilised for the repayment of existing borrowings and for our general working capital requirements, all of which are expected to contribute positively to the future profitability of our Group. As part of the proceeds from the Rights Issue may be used for land acquisitions, it will enable our Group to replenish our existing landbank for continuous long-term growth. In addition, equity financing will allow our Group to raise funds without incurring interest cost as well as to minimise any potential cash outflow in respect of interest servicing, as compared with bank borrowings.

Furthermore, the Entitled Shareholders are provided an opportunity to participate in an equity offering on a pro-rata basis and acquire new Sunway Shares at a discount to prevailing market prices, as compared to a private placement of new Sunway Shares.

The Rights Issue would allow our Group to strengthen our balance sheet. The enlarged share capital base is also expected to reduce our gearing level and enhance the liquidity of Sunway Shares on the Main Market of Bursa Securities.

Based on the above, our Board is of the view that fund-raising by way of the Rights Issue is the most appropriate avenue of fund raising for our Company.

### 4. UTILISATION OF PROCEEDS

The gross proceeds expected to be raised from the Rights Issue and the intended utilisation of the proceeds are as follows:

Utilisation	Expected timeframe for utilisation from the date of listing of Rights Shares	Minimum Subscription Level*	Maximum subscription level <sup>#</sup>
		RM million	RM million
Capital expenditure <sup>(1)</sup>			
(i) Acquisition of landbank	Within 36 months	100.0	300.0
(ii) Development of investment properties	Within 30 months	30.0	100.0
(iii) Development costs for property development projects	Within 24 months	50.0	100.0
(iv) Acquisition of property, plant and equipment	Within 18 months	30.0	130.0
Repayment of existing borrowings <sup>(2)</sup>	Within 12 months	130.0	300.0
General working capital of our Group	Within 12 months	36.2	36.0
Estimated expenses in relation to the Rights Issue	Within 6 months	0.8	0.8
<b>Total gross proceeds from the Rights Issue</b>		<b>377.0</b>	<b>966.8</b>

**Notes:**

\* Based on the Minimum Scenario as defined in Section 7.

# Based on the Maximum Scenario as defined in Section 7.

- (1) *As at LPD, our Board has not identified any specific projects, parcels of land, and property, plant and equipment to be acquired to provide flexibility to us in determining the optimal use of the proceeds to ensure the long term profitability of our Group. Hence, the breakdown to the utilisation for capital expenditure may still be subject to adjustments by our Company in the future.*

*However, given that the timing of utilisation of the proceeds raised from the Rights Issue may not be immediate and as part of our Group's efficient capital management to minimise funding cost and maximise interest income, our Group intends to immediately place the funds with a licensed financial institution or money market funds and/or may temporarily deploy part of such proceeds to repay our Group's existing borrowings (up to RM400.0 million in addition to the proceeds already earmarked for repayment of borrowings as shown in the table in Section 4). Thereafter, our Group would drawdown on the credit facilities accorded to our Group and/or utilise the funds placed with the financial institutions or money market funds as and when the need arise.*

- (2) *The total borrowings of our Group as at 31 March 2013, being the latest practicable date at which such amounts could be calculated prior to the printing of this AP, is approximately RM2,893.1 million. Our Group intends to use part of the proceeds raised from the Rights Issue to pare down some of our Group's existing borrowings. Based on the prevailing interest rate incurred by our Group of between 3.5% and 5.0% per annum, such repayment is expected to result in an interest savings of approximately RM5.0 million to RM12.0 million per annum.*

Any difference between the actual gross proceeds raised and the maximum amount of proceeds to be raised from the Rights Issue would be adjusted correspondingly to the amount allocated under capital expenditure, repayment of existing borrowings and general working capital of our Group.

In addition, any deviation of the actual expenses in relation to the Rights Issue will be adjusted correspondingly to the amount allocated for the general working capital of our Group.

## 5. RISK FACTORS

In addition to the other information contained in this AP, you should carefully consider the following risk factors before subscribing for or investing in the Rights Shares. You should note that these risk factors are not exhaustive.

### 5.1 Risks relating to our businesses

#### (a) General

##### (i) 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, quarry and building materials businesses face competition from other listed and non-listed companies operating in the same businesses. 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, quarry and building materials businesses in the future.



The success of our leisure and hospitality business depends on our ability to compete in providing the best room rates and quality accommodation, services and amenities including a wide range 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 revenue 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 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.

**(ii) 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.

**(iii) 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. 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.

**(iv) We are dependent on our operating licences**

We have been granted various licences, certificates and permits from authorities, some of which are subject to periodic renewals, for our businesses. There can be no assurance that our licences, certificates and permits from authorities will not be revoked or suspended prior to their expiration. There can also be no assurance that we will be able to renew such licences, certificates and permits from authorities. Any revocation or non-renewal of our licences, certificates and permits from authorities or failure by us to obtain new licences, certificates and permits from authorities (if so required) will have a material impact on our ability to continue our operations and hence will affect our profitability.

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**(v) We are exposed to risks arising from our overseas business ventures**

The majority of our revenue was generated locally, i.e., approximately 82.5% for FYE 31 December 2012 with the remaining contributed by our overseas business. We are exposed to risks arising from our overseas business ventures given the different business operating conditions and regulatory environments in other 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 a negative outcome. In the past, we had experienced operational losses in our overseas operations in India, China, Vietnam and Trinidad and Tobago. However, such losses did not adversely impact our Group's past financial performance as the contributions from our other businesses were sufficient to set-off these losses.

Further, we had entered into collaborations/partnerships with other parties in our overseas ventures. As with all collaborations/partnerships, deterioration in the relationship with our partners may result in the termination of such arrangements. No assurance is given that our collaboration/partnerships overseas can or will be sustained in the future. In addition, if we fail to enter into a collaboration/partnership with a suitable partner in our overseas venture (if the need arises), it may affect our ability to successfully penetrate and build a reputation for ourselves overseas. Hence failure to maintain and/or secure relevant partners in our overseas ventures may affect our operations and profitability adversely.

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 RM48.23 million). Further details are disclosed in Section 4 (i) of Appendix VII of this AP. 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.

**(vi) 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.

**(vii) 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. 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.

**(viii) Our current insurance coverage may not be sufficient to cover the risks related to our operations**

We have taken the necessary measure to ensure that all our assets are adequately covered by insurance in accordance with standard industry practice. However, 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 made against us as the owner/manager/contractor of the properties by tenants or other persons due to personal injury or other damages resulting from contact with or use of our 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.

**(ix) 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 European sovereign debt crisis 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.

**(x) 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.

Further, Sunway Medical Centre may contain, or its operations may utilise, certain materials, processes or installations which are regulated pursuant to environmental laws and regulations. Our healthcare business may therefore be liable for government fines and damages for any breaches in these laws and regulations and any consequential injuries to persons or damages to the environment and surroundings.

Our operating expenses could also be higher than anticipated due to the cost of complying with existing and future environmental and health and safety laws and regulations. Further, some of our operations may be affected by changes in environmental and health and safety laws and regulations where compliance with these new laws and regulations may entail significant expenses to us. Although we will take all steps to comply with the laws and regulations, there is no assurance that liabilities arising from the non-compliance of the relevant environmental and health and safety laws and regulations will not exist in the future, or that any of such liabilities will not be material to our businesses.

**(b) Industry specific**

***Property and construction businesses***

**(i) 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. Our property business has access to a landbank of approximately 3,860 acres with a total gross development value estimated to be approximately RM54 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, Sunway Resort City, Sunway South Quay, Kota Damansara, Shah Alam, Sungai Long, Semenyih, Melawati, Seri Kembangan, Bangi and Rawang in the state of Selangor, Sunway City Ipoh in the state of Perak, Medini Living and Pendas in the state of Johor and Penang as well as landbank overseas such as in 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.

**(ii) Compulsory acquisition by state government**

Pursuant to the provisions of the Land Acquisition Act, 1960, the State Authority has the power to acquire any land, whether in whole or in part, which is needed:

- (a) for any public purpose; or
- (b) by any person or corporation for any purpose which in the opinion of the State Authority is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (c) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of such compulsory acquisition, the amount of such compensation awarded may be less than the open market value of the property and may be less than the purchase consideration of the property which was paid by our Group. Notwithstanding the above and pursuant to the Land Acquisition Act, 1960, we have the right to submit an objection against the quantum of compensation awarded.

**(iii) 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 Malaysia, 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.

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:

- (a) continuously lease properties to tenants on economically favourable terms;

- (b) retain its existing major tenants; and/or
- (c) secure new tenants.

**(iv) 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:

- (a) the quality of our tenants;
- (b) the physical attributes of the building relative to the competing buildings (i.e. age, condition, design, access to public transportation); and
- (c) 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.

**(v) 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.

**(vi) 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-performance or unsatisfactory performance of our appointed contractors and their inability to supply sufficient labour, whether skilled or unskilled, and quality building materials will inevitably disrupt the progress and/or quality of our operations and will have an adverse effect on our profitability. On one occasion, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, the main contractor for one of our property development projects, had terminated the contract prior to completion of works leading to further delay in the completion of the project. The matter is now the subject-matter of an arbitration. Please refer to Section 4 (ii) of Appendix VII of this AP for further details.

**(vii) We are exposed to unforeseen delays in the completion of a project**

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.

**(viii) We may not be able to sustain our current order book**

There can be no certainty that our current order book can be sustained in the future given that contracts are based on open tenders and are very competitive due to the numerous players in the industry. Further, 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.

**(ix) We are exposed to inherent risks in the construction industry**

Amongst 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. For instance, in 2008, due to worldwide fluctuation in raw material prices, the costs of building materials, especially steel bars, rose sharply which impacted our construction profit margin.

***Quarry and building materials businesses***

**(i) 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 products is highly dependent on the health of the construction industry. In addition, our premix products may be affected by the volatility in bitumen prices as 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 pavers, Eurotiles, spun piles and clay pipes are highly dependent on construction activities and any increase in prices of raw materials like cement, steel, clay and natural gas may affect our profit margins if the increased costs cannot be passed on to our customers.

**(ii) 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 quarry division's operating profits.

***Leisure and hospitality businesses***

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

We are susceptible to the outbreak of diseases. Previously, the outbreak of severe acute respiratory syndrome ("SARS") had an adverse impact on our financial results and operations. 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 that are similarly hazardous in 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.

*Trading and manufacturing businesses*

**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, heavy equipment 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 purchasing directly from the principals and/or other agents/distributors.

*Healthcare business*

**(i) Hospitals are subject to industry-specific risks**

Hospitals may be affected by events and conditions including, amongst others, demand for services offered, physicians' confidence in the facility, management capabilities, competition with other hospitals, efforts by insurers to limit charges and expenses and possible unavailability of malpractice insurance. In addition, hospitals face the risk of increasing competition from new products or services and the risk that technological advances will render their medical and surgical services obsolete. Further, hospitals may also incur initial losses and erratic profit patterns when adopting a new medical or surgical service.

Hence, the risks stated above as well as the rising cost of healthcare technology may adversely impact the profitability of our healthcare business.

**(ii) 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.

**5.2 Risks relating to the Rights Issue**

**5.2.1 Market price for the Sunway Shares**

A variety of factors could cause the prices of Sunway Shares to fluctuate, including announcements of developments relating to our Group's business, fluctuations in our operating/financial results or revenue levels and change in regulatory requirements or market conditions.

In addition, external factors such as economic, political and industry conditions, volatility of equity markets, movements in interest rates and prevailing market sentiments/liquidity could also adversely affect the prices of Sunway Shares.

There can be no assurance that the market price of the Rights Shares will be traded above the TERP after the completion of the Rights Issue.

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### 5.2.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be delayed or aborted on the occurrence of any one or more of the following events:

- (a) *force majeure* events or material adverse change of events/circumstances which are beyond the control of our Company arising prior or during the implementation of the Rights Issue; and/or
- (b) TSJC Group may not fulfill or be able to fulfill their irrevocable and unconditional written undertakings to subscribe in full for their entitlements under the Rights Issue as at the Entitlement Date as set out in Section 9 of this AP.

Notwithstanding the risks, we will exercise our best endeavor to ensure that the Rights Issue is successfully implemented. However, there can be no assurance that the above events will not occur, and cause the delay or abortion of the Rights Issue. In the event the Rights Issue is aborted, all the subscription/application monies for the Rights Issue will be refunded without interest to the subscribing Entitled Shareholders and/or their renounce(s) (if applicable).

### 5.2.3 Capital market risk

The performance of our local bourse is affected by a number of factors, amongst them are the general economic climate of Malaysia, the Southeast Asia region and the rest of the world, the performance of the global capital markets and investors' sentiments. These factors contribute to the volatility of trading volumes on Bursa Securities.

## 5.3 Forward-looking statements

This AP includes forward-looking statements. All statements other than statements of historical facts included in this AP, including without limitation, those regarding our financial position, business strategies, plans and objections of our management for our future operations, are forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". However, you should note that these words are not the exclusive means of identifying forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our Group's actual results, performance or achievements 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 factors include, *inter-alia*, general economic and business conditions, competitions, the impact of new laws and regulations affecting us and the industry, changes in interest rates and changes in foreign exchange rates.

In light of these uncertainties, the inclusion of such forward-looking statements in this AP should not be regarded as a representation or warranty by us or our advisers that such plans and objectives will be achieved.

## 6. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

Our Group's main businesses are in property and construction activities in Malaysia and Singapore, collectively contributing approximately 70% of our Group's revenue for the FYE 31 December 2012. Our businesses are largely driven by the economic growth, population growth and infrastructure development, all of which are highly dependent on the growth of Malaysia's and Singapore's respective economies.



## 6.1 Overview and outlook of Malaysia's economy

In 2012, global economic growth moderated amid a more challenging environment compared to 2011. In the advanced economies, growth was uneven, with the United States of America ("US") experiencing a fragile recovery while Europe remained in recession. The weakened economic conditions in the advanced economies affected international trade, which in turn affected domestic economic activity in the emerging economies. Despite the weak external environment, the Malaysian economy still recorded a growth of 5.6% in 2012 (2011: 5.1%). This was mainly driven by strong growth in domestic demand which outweighed the weak external demand resulting from the weakened global economy.

Investment activity and consumption were the key drivers for the domestic economy in 2012, with increased capital spending by both the private and public sectors. Private investment was robust, recording a growth of 22%. This was led by strong capital spending in consumer-related services sectors, domestic-oriented manufacturing sectors and the implementation of major public infrastructure projects. Public investment also registered a strong growth of 17.1%, driven by higher capital spending by public enterprises. In addition, the strong investment performance was also attributed to the commencement and progress of several infrastructure projects, including those under the Economic Transformation Programme ("ETP"), and the steady improvement in the investment climate.

Private consumption registered growth of 7.7% in 2012. The strong performance reflected the favourable income growth, the effects of the various government transfers to low and middle income households disbursed during the year and supportive financing conditions. In the public sector, public consumption recorded a moderate growth of 5% amidst continued fiscal consolidation efforts during the year.

On the supply side, all economic sectors continued to expand in 2012. The construction sector expanded the most, with an 18.5% growth in 2012, attributable to the strong expansion in investment activity. While the growth of export-oriented activities was dampened by the slowdown in the external demand, the services and manufacturing sectors, which were supported by the strong performance of domestic demand, attained a growth of 6.4% and 4.8%, respectively.

Labour market conditions remained stable in 2012 with continued gains in employment, observed mostly in the services and agriculture sectors. However, total retrenchments increased due mainly to higher layoffs in the manufacturing sector. During the year, the unemployment rate declined marginally to 3%.

In 2013, the Malaysian economy is expected to remain on a steady growth path, with a targeted expansion of 5% - 6%. Economic activity will be anchored by the continued resilience of domestic demand and supported by gradual improvements in the external sector. On the supply side, expansion is expected in all major economic sectors in 2013. The services and manufacturing sectors are expected to be the key contributors to overall growth, driven by the continued resilience of domestic demand and supported by higher international trade activities. Growth in the construction sector is also projected to remain robust, supported by the implementation of major infrastructure projects. In the commodities sector, the growth of agriculture is expected to improve due to the higher output of crude palm oil and food commodities while the mining sector is expected to strengthen following the higher production of natural gas, crude oil and condensates.

*(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2012 and Bank Negara Malaysia Annual Report 2012, Bank Negara Malaysia, published on Bank Negara Malaysia's website <http://www.bnm.gov.my>)*

## 6.2 Overview and outlook of Singapore's economy

For the whole of 2012, the economy grew by 1.3%, moderating from the 5.2% growth in 2011. This was mainly due to weakness in the externally-oriented sectors such as manufacturing and wholesale and retail trade.

The manufacturing sector grew at a significantly slower pace of 0.1%, compared to the 7.8% growth in 2011. By contrast, growth in the construction sector accelerated to 8.2%, from 6.3% in the previous year. Growth in the services producing industries also moderated to 1.2% in 2012, compared to 4.6% in 2011. This was mainly due to the slowdown in wholesale and retail trade, accommodation and food services as well as other services industries. In particular, the wholesale and retail trade sector contracted by 0.7%, compared to the 1.6% growth in the previous year. The accommodation and food services as well as other services industries posted lower gains of 2.8% and 0.1% respectively, compared to 8.2% and 6.3% in the preceding year.

External demand grew at a modest pace of 0.3% in 2012, following the 3.5% growth in 2011. This was supported mainly by growth in exports of chemicals, beverages, and transport services. Total domestic demand rose by 9.7%, following the 6.5% increase in 2011. The growth in total domestic demand was broad-based across consumption, gross fixed capital formation and changes in inventories.

For the whole of 2012, total consumption expenditure grew slightly by 0.9%, easing from the 3.7% growth in 2011. Public consumption expenditure fell by 3.6%, reversing the 0.5% growth in 2011. Private consumption expenditure registered a 2.2% gain, moderating from the 4.6% increase in the preceding year.

In 2013, the outlook for the Singapore economy remains cautiously positive. Singapore's Ministry of Trade and Industry is maintaining its 2013 economic growth forecast at 1.0% to 3.0%. Global macroeconomic conditions have stabilised in recent months, as key downside risks emanating from the Eurozone and US have receded. Nevertheless, global economic growth is likely to remain subdued this year. The strength of economic recovery in the US will be restrained by fiscal tightening. The Eurozone economy is likely to remain stagnant, weighed down by ongoing fiscal tightening, private sector deleveraging, as well as high unemployment rates. In Asia, economic growth is likely to be moderate, supported by resilient domestic demand and modest growth in external demand. Notably, concerns remain over the extent of the fiscal cutback with the budget sequester in the US and potential flare up of the debt crisis in the Eurozone. Should any of these risks materialise, Singapore's economic growth could come in lower than expected.

*(Source: Chapter 1 and 9, Economic Survey of Singapore 2012, Ministry of Trade and Industry of Singapore, published on Ministry of Trade and Industry of Singapore's website <http://www.mti.gov.sg>)*

### **6.3 Overview and prospects of the construction and property sector in Malaysia**

The construction sector posted a strong growth of 18.5% in 2012 (2011: 4.6%), the fastest pace since 1995. This was underpinned by robust construction activity in the civil engineering and residential subsectors. Reflecting the buoyant construction activities, the total value of construction works rose 24.6% to RM38.1 billion during the first half of 2012. The private sector contributed 69.8% of the total value of construction works.

The civil engineering subsector registered a sterling growth of 27.5% in the first half of 2012, supported by the implementation of large infrastructure projects such as the electrified double-tracking between Ipoh-Padang Besar, Jabur-Kuala Terengganu of East Coast Expressway Phase 2, Second Penang Bridge, Besraya Eastern Extension and light rail transit ("LRT") extension projects. Growth was also boosted by the ongoing projects under the National Key Result Area ("NKRA") on oil and gas such as the Kimanis Power Plant and liquefied natural gas ("LNG") Regasification Terminal, Melaka as well as rural infrastructure development, particularly in Sabah and Sarawak.

The residential subsector expanded significantly by 22% during the first half of 2012 supported by strong demand for housing and investment purposes arising from higher household disposable income. Additionally, improved accessibility following the development of infrastructure projects further stimulated the demand for houses, especially in the suburban areas. Taking advantage of the government's continuous efforts to increase home ownership, developers are embarking on building more affordable homes. This new residential supply will add to the existing affordable homes and match the growing demand for affordable residential houses.

In terms of demand, the take-up rate of newly launched residential units improved to 17.6% (January – June 2011: 10.3%). Consequently, total properties transacted increased 1.1% to 217,160 transactions valued at RM69.1 billion (January – June 2011: 18.2%, RM64.6 billion) with the residential sector accounting for 63% of the total number of transactions and 48% of the total value transacted. In tandem with the better performance of new launches, the residential overhang declined 32% or a total value of RM3.8 billion during the first half of 2012 (January – June 2011: -1.4%, RM4.7 billion). Kuala Lumpur continued to record the highest average all-house price at RM491,388 followed by Selangor (RM364,722) and Pulau Pinang (RM261,601).

The non-residential subsector grew 12.8% during the first half of 2012 largely driven by construction of industrial buildings, particularly in the Samalaju Industrial Park, Sarawak and shophouses. Industrial building starts increased 47.8% to 501 units. Overall occupancy rate in the various segments of commercial buildings remained steady, reflecting the strong domestic economic activities. The occupancy rate in the shopping complex segment remained high at 80%, reflecting strong retail activities and robust private consumption during the first half of 2012.

The non-residential subsector is expected to expand, spurred by the industrial building segment and the commencement of construction of the Tun Razak Exchange. The residential subsector is also projected to expand, albeit at a moderate pace, after recording several years of strong growth. Key housing development projects, particularly in Sungai Buloh and Bandar Malaysia in Sungai Besi, which are expected to commence in 2013, will support residential construction activities.

For 2013, the construction sector is envisaged to expand strongly by 11.2% (2012: 15.5%), with all subsectors registering steady growth. This sector is expected to benefit from the acceleration of ongoing construction activities, particularly from the ETP and second rolling plan for construction-related projects under the Tenth Malaysia Plan. Of significance, exploration activities in oil and gas industries and major projects such as the electrified double-tracking between Ipoh-Padang Besar, Jabur-Kuala Terengganu of East Coast Expressway Phase 2, MY Rapid Transit (“MRT”) and the River of Life are expected to drive the growth of the civil engineering subsector.

*(Source: Chapter 3: Economic Performance Prospects, Economic Report 2012/2013, Ministry of Finance Malaysia and Economic and Financial Developments in Malaysia in the Fourth Quarter of 2012, Bank Negara Malaysia, published on Bank Negara Malaysia’s website <http://www.bnm.gov.my>)*

#### **6.4 Overview and prospects of the construction and property sector in Singapore**

For the whole of 2012, the construction sector expanded by 8.2%, faster than the growth of 6.3% in 2011. Total construction output (or certified payments) increased by 7.1% on the back of strong private sector construction activities. For the full year, total construction demand declined by 21% to \$28 billion (equivalent to approximately RM70.0 billion). This was due primarily to the high base in 2011 when contracts awarded reached \$35 billion (equivalent to approximately RM87.5 billion), just short of the record high of \$36 billion (equivalent to approximately RM90.0 billion) set in 2008.

For 2012, public sector construction demand declined by 39% to \$9.3 billion (equivalent to approximately RM23.3 billion). Demand was supported primarily by the institutional building segment which saw a 46% increase in the value of contracts awarded to \$3.5 billion (equivalent to approximately RM8.8 billion). Meanwhile, public sector construction output grew by 4.8% to \$12 billion (equivalent to approximately RM30.0 billion), supported by on-site construction activities for public housing (19%) and institutional and other building projects (9.1%). By contrast, public sector industrial construction output fell by 11% in 2012, largely due to the high base in 2011. Similarly, civil engineering construction output contracted by 1.9%, although the level of output remained healthy at \$5.3 billion (equivalent to approximately RM13.3 billion), supported by new rail construction such as the Downtown Line Stages 2 & 3, Tuas West Extension and other projects like Marina Coastal Expressway and Jurong Rock Cavern (Phase 1).

In 2012, private sector construction demand fell by 7.1% due to the high base in 2011 when contracts awarded reached a record of \$20 billion (equivalent to approximately RM50.0 billion). Despite the contraction in growth, the level of private sector construction demand remained relatively strong, at \$19 billion (equivalent to approximately RM47.5 billion). Demand was supported by residential building demand, which amounted to a healthy \$7.7 billion (equivalent to approximately RM19.3 billion) as developers accelerated residential property launches and developments to ride on the strong buying momentum. Similarly, industrial building construction demand remained firm on the back of a few major engineering, procurement and construction projects in the chemicals cluster. At the same time, civil engineering construction demand reached a historical high of \$2.6 billion (equivalent to approximately RM6.5 billion) in 2012, with the various contracts awarded by SP Power assets for the construction of underground transmission cable tunnels. Private sector construction output expanded by 8.7% to \$19 billion (equivalent to approximately RM47.5 billion). Robust residential (8.2%), industrial (26%) and civil engineering (14%) projects supported growth. By contrast, private commercial construction output declined by 7.5% due to the lower volume of commercial building contracts awarded in 2011. Institutional building construction output also fell 12%, primarily due to the high base in 2011 arising from the construction of the Singapore Sports Hub.

Building and Construction Authority forecasts total construction demand in 2013 to be between \$26 billion (equivalent to approximately RM65.0 billion) and \$32 billion (equivalent to approximately RM80.0 billion). Demand from the public sector is likely to strengthen to between \$14 billion (equivalent to approximately RM35.0 billion) and \$17 billion (equivalent to approximately RM42.5 billion) (or about 53% of total construction demand). The stronger demand is due to an expected ramp-up in public housing demand and also the anticipated award of major construction contracts for the Thomson MRT Line. On the other hand, private sector demand is expected to moderate to between \$12 billion (equivalent to approximately RM30.0 billion) and \$15 billion (equivalent to approximately RM37.5 billion), due to the subdued economic outlook for 2013. Total construction output in 2013 is projected to rise to between \$31 billion (equivalent to approximately RM77.5 billion) and \$33 billion (equivalent to approximately RM82.5 billion), as the high level of contracts awarded in 2011 along with sustained levels of demand in 2012 and 2013 continue to translate into on-site construction activities.

*(Source: Chapter 8.2, Economic Survey of Singapore 2012, Ministry of Trade and Industry of Singapore, published on Ministry of Trade and Industry of Singapore's website <http://www.mti.gov.sg>)*

## 6.5 Prospects of our Group

Our Group is well positioned to capitalise on the commercial benefits arising from the several major infrastructure projects recently launched by the authorities such as the elevated Bus Rapid Transit (“BRT”) which runs across Sunway Resort City and the construction of the MRT and extension of the two existing LRT lines which will improve the public transport coverage and connectivity of the Klang Valley. Besides being the main contractor for the BRT, a package contractor of the MRT line and one of the contractors of the LRT extension, the property arm of our Group is also a beneficiary of the aforesaid infrastructure projects.

The BRT will improve the public transport connectivity in Sunway Resort City and is expected to boost the commercial value as well as the public demand for both residential and commercial properties in the township. Our Company will benefit as it has approximately 50 acres of prime landbank located at close proximity to the proposed BRT stations. Our two on-going integrated developments, namely Sunway Nexis, which is located at Dataran Sunway in Kota Damansara and Sunway Velocity, which is located in Cheras near the Kuala Lumpur city centre, will also benefit from the location of the MRT stations which will be situated near the respective developments.

In addition, the recent acquisition of two sizable landbank in Iskandar Malaysia measuring approximately 1,770 acres will also enhance the prospects of our Group. Demand for all types of properties in Iskandar Malaysia has started to gain momentum based on the reported strong sales achieved in recent property launches by several developers which have landbank in the vicinity. The unique advantage of this economic corridor is its close proximity to Singapore. This advantage is further complemented by the network of integrated highways built by the authorities to boost its connectivity to various key destinations and the catalytic projects such as the Legoland Theme Park and Educity have also improved the attractiveness of the overall development of Iskandar Malaysia.

Favourable employment conditions and income growth continues to provide underlying support to consumer spending, while public investment in infrastructure works as well as on-going implementation of projects under the ETP will augur well for our Group. Barring any unforeseen circumstances, our Company is expected to continue to perform satisfactorily in 2013. Such expectation is further underpinned by our healthy unbilled property sales of RM2.3 billion and outstanding construction total order book of RM4.2 billion as at 31 March 2013, being the latest practicable date at which such amounts could be calculated prior to the printing of this AP.

(Source: Our management team)

## 7. FINANCIAL EFFECTS OF THE CORPORATE EXERCISES

*For illustrative purposes only*, the proforma effects of the Corporate Exercises have been illustrated based on the following assumptions (“Assumptions”):

### Minimum Scenario

- (i) None of the Outstanding Sunway Warrants are exercised;
- (ii) Only TSJC Group subscribe for the Rights Shares;
- (iii) The maximum number of ESOS Options made available under the ESOS, being 10% of the then issued and paid-up share capital of Sunway, are fully granted in a single tranche, and fully vested and exercised into ESOS Shares; and
- (iv) The Rights Shares are allotted prior to the implementation of the ESOS.

### Maximum Scenario

- (i) Outstanding Sunway Warrants are fully exercised prior to the implementation of the ESOS;
- (ii) The maximum number of ESOS Options made available under the ESOS, being 10% of the then issued and paid-up share capital of Sunway, are fully granted in a single tranche, and fully vested and exercised into ESOS Shares;
- (iii) The ESOS Shares are allotted prior to the Entitlement Date; and
- (iv) All Rights Shares are subscribed in full by all the Entitled Shareholders on a pro-rata basis.

### 7.1 Share capital

*For illustrative purposes only*, based on the Assumptions, the proforma effects of the Corporate Exercises on our Company’s issued and paid-up share capital are as follows:

#### Minimum Scenario

	<u>Minimum Scenario</u>	
	<u>No. of Sunway Shares</u>	<u>RM</u>
Issued and paid up share capital as at LPD	1,292,515,032	1,292,515,032
To be issued pursuant to the Rights Issue	221,773,735	221,773,735
	1,514,288,767	1,514,288,767
To be issued assuming full exercise of all ESOS Options	151,428,876	151,428,876
<b>Enlarged issued and paid-up share capital</b>	<b>1,665,717,643</b>	<b>1,665,717,643</b>

**Maximum Scenario**

	<b>Maximum Scenario</b>	
	<b>No. of Sunway Shares</b>	<b>RM</b>
Issued and paid up share capital as at LPD	1,292,515,032	1,292,515,032
To be issued assuming full exercise of Outstanding Sunway Warrants	258,490,972	258,490,972
	1,551,006,004	1,551,006,004
To be issued assuming full exercise of all ESOS Options	155,100,600	155,100,600
	1,706,106,604	1,706,106,604
To be issued pursuant to the Rights Issue	568,702,201	568,702,201
<b>Enlarged issued and paid-up share capital</b>	<b>2,274,808,805</b>	<b>2,274,808,805</b>

**7.2 Earnings and EPS**

The Rights Issue is not expected to have a material effect on the consolidated earnings and consolidated EPS of our Company for FYE 31 December 2013 as it is expected to be only completed by the third quarter of 2013.

The consolidated EPS of our Company may be proportionately reduced as a result of the increase in the number of Sunway Shares upon allotment and issuance of the Rights Shares.

Notwithstanding that, the actual impact on our Company's future earnings and consolidated EPS will depend on the level of returns generated from the utilisation of proceeds in new capital expenditure and landbanking activities in the ensuing years. In addition, given that the proceeds of the Rights Issue will be used to reduce the borrowings of our Group, the impact to the consolidated EPS may be immediately mitigated by interest savings from the reduction in borrowings.

**7.3 NA, NA per Sunway Share and gearing**

*For illustrative purposes only*, based on the Assumptions, the proforma effects of the Corporate Exercises on our Company's consolidated NA and gearing, and NA per Sunway Share as at 31 December 2012 are as follows:

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Minimum Scenario

	Audited as at 31 December 2012	Proforma I After adjusting for Sunway Warrants exercised up to LPD <sup>(1)</sup>	Proforma II After Proforma I and the Rights Issue	Proforma III After Proforma II and the full exercise of all ESOS Options <sup>(4)</sup>
	RM'000	RM'000	RM'000	RM'000
Share capital	1,292,505	1,292,515	1,514,289	1,665,718
Share premium	2,326,509	2,326,527	2,481,769	2,893,656 <sup>(5)</sup>
Equity contribution	51,654	51,654	51,654	51,654
Merger reserve	(1,192,040)	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	1,098,013	1,098,013	1,097,013 <sup>(2)</sup>	972,841 <sup>(5)</sup>
<b>Shareholders' funds / NA</b>	<b>3,576,641</b>	<b>3,576,669</b>	<b>3,952,685</b>	<b>4,391,829</b>
No. of Sunway Shares in issue ('000)	1,292,505	1,292,515	1,514,289	1,665,718
NA per Sunway Share (RM)	2.77	2.77	2.61	2.64
Total borrowings (RM'000)	2,756,434	2,756,434	2,626,434 <sup>(3)</sup>	2,626,434
Cash and bank balances (RM'000)	1,158,890	1,158,918	1,404,934 <sup>(2)(3)</sup>	1,844,078
Gross gearing (times)	0.77	0.77	0.66	0.60
Net gearing (times)	0.45	0.45	0.31	0.18

**Notes:**

- (1) Adjusted for 10,028 Sunway Warrants exercised between 1 January 2013 and the LPD at RM2.80 per Sunway Share.
- (2) After deducting estimated expenses relating to the Corporate Exercises of approximately RM1,000,000.
- (3) Assuming that RM130.0 million of the total proceeds raised from the Rights Issue have been utilised to repay our Group's borrowings.
- (4) Assuming that all 151,428,876 ESOS Options (being 10% of the then issued and paid-up share capital of Sunway) are fully granted in a single tranche under the ESOS, and are fully vested and exercised into an equivalent amount of Sunway Shares at an exercise price of RM2.90 per Sunway Share, being an approximate 10% discount to the TERP of RM3.22, based on the IWAP of the Sunway Shares for the past five Market Days up to and including LPD of RM3.73 per Sunway Share.
- (5) After taking into consideration Note 4 above and the total cost arising from the grant of ESOS Options of approximately RM124.2 million (based on the indicative fair value of the ESOS Options of RM0.82 each, which was arrived at based on the Black-Scholes options valuation model).

Maximum Scenario

	Proforma I Audited as at 31 December 2012 RM'000	Proforma I After adjusting for Sunway Warrants exercised up to LPD <sup>(1)</sup> RM'000	Proforma II After Proforma I and assuming full exercise of Outstanding Sunway Warrants <sup>(2)</sup> RM'000	Proforma III After Proforma II and the full exercise of all ESOS Options <sup>(3)</sup> RM'000	Proforma IV After Proforma III and the Rights Issue RM'000
Share capital	1,292,505	1,292,515	1,551,006	1,706,107	2,274,809
Share premium	2,326,509	2,326,527	2,791,811	3,305,194 <sup>(4)</sup>	3,703,286
Equity contribution	51,654	51,654	51,654	51,654	51,654
Merger reserve	(1,192,040)	(1,192,040)	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	1,098,013	1,098,013	1,098,013	950,667 <sup>(4)</sup>	949,667 <sup>(5)</sup>
<b>Shareholders' funds / NA</b>	<b>3,576,641</b>	<b>3,576,669</b>	<b>4,300,444</b>	<b>4,821,582</b>	<b>5,787,376</b>
No. of Sunway Shares in issue ( '000)	1,292,505	1,292,515	1,551,006	1,706,107	2,274,809
NA per Sunway Share (RM)	2.77	2.77	2.77	2.83	2.54
Total borrowings (RM'000)	2,756,434	2,756,434	2,756,434	2,756,434	2,456,434 <sup>(6)</sup>
Cash and bank balances (RM'000)	1,158,890	1,158,918	1,882,693	2,403,831	3,069,625 <sup>(5)(6)</sup>
Gross gearing (times)	0.77	0.77	0.64	0.57	0.42
Net gearing (times)	0.45	0.45	0.20	0.07	(0.11) <sup>(7)</sup>

*Notes:*

- (1) Adjusted for 10,028 Sunway Warrants exercised between 1 January 2013 and the LPD at RM2.80 per Sunway Share.  
(2) Assuming the Outstanding Sunway Warrants are fully exercised into 258,490,972 new Sunway Shares at RM2.80 per Sunway Share.



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- (3) *Assuming that all 155,100,600 ESOS Options (being 10% of the then issued and paid-up share capital of Sunway) are fully granted in a single tranche under the ESOS, and are fully vested and exercised into an equivalent amount of Sunway Shares at an exercise price of RM3.36 per Sunway Share, being an approximate 10% discount to the VWAP of the Sunway Shares for the past five Market Days up to and including the LPD of RM3.73.*
- (4) *After taking into consideration Note 3 above and the total cost arising from the grant of ESOS Options of approximately RM147.3 million (based on the indicative fair value of the ESOS Options of RM0.95 each, which was arrived at based on the Black Scholes options valuation model).*
- (5) *After deducting estimated expenses relating to the Corporate Exercises of approximately RM1,000,000.*
- (6) *Assuming that RM300.0 million of the total proceeds raised from the Rights Issue have been utilised to repay our Group's borrowings.*
- (7) *Net cash position.*

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## 7.4 Existing convertible securities

Save for the Outstanding Sunway Warrants, our Company does not have any other convertible securities as at LPD.

Any necessary adjustments to the terms and conditions of the Outstanding Sunway Warrants arising from the Rights Issue will be governed by the terms of the Deed Poll. Ernst & Young has been engaged to perform certain agreed upon procedures in accordance with the terms of the Deed Poll.

In accordance with the terms of the Deed Poll, such adjustments shall be effective on the next Market Day following the Entitlement Date for the Rights Issue. Any adjustments will be notified to the Warrantholders in writing in accordance with the Deed Poll.

### 7.4.1 Details of the adjustments

Condition 5.1.4 of the Third Schedule of the Deed Poll stipulates that the exercise price and the number of Sunway Warrants shall be adjusted if and whenever our Company makes an offer or invitation to our shareholders to acquire or subscribe for new Sunway Shares by way of rights.

The Additional Sunway Warrants to be issued to the Warrantholders shall form part of the existing Sunway Warrants constituted by the Deed Poll.

*For illustrative purposes only*, based on the Outstanding Sunway Warrants and by applying the formula stated in Condition 5.1.4(iii) of the Third Schedule of the Deed Poll, the new exercise price and the number of Additional Sunway Warrants to be issued as a result of the Rights Issue are as follows:

$$\begin{aligned}
 \text{New Exercise Price} &= \text{Existing Exercise Price} \times \frac{C - D}{C} \\
 &= \text{RM2.80} \times \frac{\text{RM2.99} - \text{RM0.3225}}{\text{RM2.99}} \\
 &= \text{RM2.80} \times 0.8921 \\
 &= \underline{\text{RM2.50}}
 \end{aligned}$$
  

$$\begin{aligned}
 \text{Additional Sunway Warrants} &= \left[ \text{Outstanding Sunway Warrants} \times \frac{C}{C - D^*} \right] - \text{Outstanding Sunway Warrants} \\
 &= \left[ 258,490,972 \times \frac{\text{RM2.99}}{\text{RM2.99} - \text{RM0.3225}} \right] - \text{Outstanding Sunway Warrants} \\
 &= 258,490,972 \times 1.1209 - 258,490,972 \\
 &= \underline{31,251,558 \text{ Additional Sunway Warrants}}
 \end{aligned}$$

where:

C = the current market price of each Sunway Share on the Market Day immediately preceding the date on which the capital distribution or as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing such announcement), immediately preceding the date of the announcement of the Entitlement Date of the capital distribution or, as the case may be, of the offer or invitation or (where appropriate), any relevant date as may be determined by our Company in consultation with our auditors;

**Our Company's position**  
 RM2.99 (the VWAP of the Sunway Shares for the past five market days (in accordance with the definition of current market price in the Deed Poll) up to and including 4 April 2013, being the last trading day prior to the date of announcement of the Corporate Exercises)

	<u>Our Company's position</u>
D = value of the rights attributable to one Sunway Share shall be calculated in accordance with the formula:	RM0.3225
$\frac{C - E}{F + 1}$	
= $\frac{RM2.99 - RM1.70}{3 + 1}$	
= RM0.3225	
where:	
C = as C above;	RM2.99
E = the subscription consideration for one Sunway Share under the terms of such offer or invitation to acquire or subscribe for Sunway Shares or subscription price of one Sunway Share upon conversion of the convertible securities or exercise of such rights to acquire or subscribe for one Sunway Share under the offer or invitation; and	RM1.70
F = the number of Sunway Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Sunway Share or to acquire or subscribe for securities convertible into Sunway Shares or rights to acquire or subscribe for one additional Sunway Share.	Three Sunway Shares (the Rights Issue is undertaken on the basis of one Rights Share for every three Sunway Shares)
D* = value of the rights attributable to one Sunway Share shall be calculated in accordance with the formula:	RM0.3225
$\frac{C - E^*}{F^* + 1}$	
= $\frac{RM2.99 - RM1.70}{3 + 1}$	
= RM0.3225	
where:	
C = as C above;	RM2.99
E* = the subscription consideration for one additional Sunway Share under the terms of offer or invitation; and	RM1.70
F* = the number of Sunway Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Sunway Share.	Three Sunway Shares (the Rights Issue is undertaken on the basis of one Rights Share for every three Sunway Shares)

In any event, the actual number of Additional Sunway Warrants to be issued as a result of the Rights Issue will depend on the number of Sunway Warrants as at the Entitlement Date.

## 8. WORKING CAPITAL, BORROWINGS, MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

### 8.1 Working capital

Our Board is of the opinion that, after taking into consideration the banking facilities available to our Group, our Group's cash balance, internally-generated funds from our operations as well as proceeds to be raised from the Rights Issue, we will have adequate working capital to meet our present and foreseeable future working capital requirements for a period of 12 months from the date of this AP.

### 8.2 Borrowings

As at 31 March 2013, being the latest practicable date at which such amounts could be calculated prior to the printing of this AP, our Group had total borrowings amounting to approximately RM2,893 million, all of which are interest-bearing. The total outstanding borrowings are divided into the following:

	<u>Short-term borrowings</u> (RM'000)	<u>Long-term borrowings</u> (RM'000)	<u>Total borrowings</u> (RM'000)
Secured	1,395,815	838,390	2,234,205
Unsecured	474,644	184,266	658,910
	<u>1,870,459</u>	<u>1,022,656</u>	<u>2,893,115</u>

The figures above are also inclusive of the following borrowings which are denominated in various currencies, but expressed in RM terms:

Currency	<u>Amount of debt denominated in foreign currencies</u>		<u>Equivalent in RM<sup>^</sup></u>	
	<u>Short-term borrowings</u>	<u>Long-term borrowings</u>	<u>Short-term borrowings</u> (RM'000)	<u>Long-term borrowings</u> (RM'000)
USD ('000)	275,000	80,000	858,000	249,600
SGD ('000)	29,885	-	74,713	-
TTD ('000)	8,940	-	4,381	-
CNY ('000)	74,884	2,516	38,191	1,283
IDR ('000)	8,625,786	-	2,588	-
AUD ('000)	1,000	12,208	2,990	36,502

**Note:**

<sup>^</sup> Translated based on exchange rates stated in the 'Definitions' Section of this AP.

There has not been any default on payment of either interest and/or principal sums in respect of any borrowings throughout FYE 31 December 2012 and the subsequent financial periods thereof up to the LPD.

### 8.3 Contingent liabilities

Save as disclosed below, as at LPD, our Board, after having made all reasonable enquiries, is not aware of any contingent liabilities, upon becoming enforceable, which may have a material impact on the financial results or position of our Group:

	<u>RM'000</u>
Guarantees given to third parties in respect of contracts and trade performance	3,402,540
<b>Total</b>	<u><b>3,402,540</b></u>

#### 8.4 Material commitments

Save as disclosed below, as at LPD, our Board, after having made all reasonable enquiries, is not aware of any other material commitment incurred or known to be incurred by our Group for capital expenditure:

	<b>RM'000</b>
Approved and contracted for	130,275
Approved but not contracted for	843,996
<b>Total</b>	<b>974,271</b>

The majority of material commitments are for capital expenditure for the development of property investment assets and acquisitions of plant and equipment. The material commitments are expected to be funded by internally-generated funds, bank borrowings, proceeds from the Rights Issue and/or other fund raising exercises (if necessary).

#### 9. SHAREHOLDERS' UNDERTAKING

Our Company had procured the Subscription Undertaking dated 17 May 2013 from TSJC Group. As at LPD, TSJC Group collectively holds 665,321,208 Sunway Shares, representing approximately 51.47% shareholding in our Company. The TSJC Group does not intend to dispose their shareholdings from the LPD up to the Entitlement Date.

The following table sets out the shareholding of TSJC Group and the number of Rights Shares to be subscribed by them pursuant to the Subscription Undertaking:

Undertaking shareholders	Shareholding as at LPD		Minimum Scenario <sup>^</sup>			Maximum Scenario*		
			Rights Shares entitlements		Subscription amount	Rights Shares entitlements		Subscription amount
	No. of Sunway Shares	% <sup>(1)</sup>	No. of Sunway Shares	% <sup>(2)</sup>	RM	No. of Sunway Shares	% <sup>(3)</sup>	RM
TSJC	54,363,105	4.21	18,121,035	4.21	30,805,760	26,604,573	4.68	45,227,774
Sarena Cheah	432,956	0.03	144,318	0.03	245,341	5,343,202	0.94	9,083,443
Evan Cheah	100,768	0.01	33,589	0.01	57,102	5,210,327	0.92	8,857,556
SWCSB	575,400,000	44.52	191,800,000	44.52	326,060,000	227,572,928	40.02	386,873,978
Jef-San Enterprise Sdn Bhd	23,024,379	1.78	7,674,793	1.78	13,047,148	9,209,751	1.62	15,656,577
Active Builder Sdn Bhd	12,000,000	0.93	4,000,000	0.93	6,800,000	4,000,000	0.70	6,800,000
<b>Total</b>	<b>665,321,208</b>	<b>51.47</b>	<b>221,773,735</b>	<b>51.47</b>	<b>377,015,351</b>	<b>277,940,781</b>	<b>48.87</b>	<b>472,499,328</b>

**Notes:**

<sup>^</sup> Based on the Minimum Scenario as defined in Section 7.

\* Based on the Maximum Scenario as defined in Section 7.

(1) Based on issued and paid-up share capital as at LPD of 1,292,515,032 Sunway Shares.

(2) Based on total entitlement of 430,838,344 Rights Shares under the Minimum Scenario.

(3) Based on total entitlement of 568,702,201 Rights Shares under the Maximum Scenario.

TSJC Group's full entitlement to the Rights Shares as at the Entitlement Date shall represent the Minimum Subscription Level for the Rights Issue. The Minimum Subscription Level was determined by our Board after taking into consideration, amongst others, our Company's funding requirements and the Subscription Undertaking.

Arising from the Subscription Undertaking, the Minimum Subscription Level will be met and hence, our Company has decided to proceed with the Rights Issue on a non-underwritten basis.

In the event the Minimum Subscription Level is not achieved, our Company will not proceed with the implementation of the Rights Issue. All subscription monies received pursuant to the Rights Issue will be returned as soon as practicable to the Entitled Shareholders and/or their renounees who have subscribed for the Rights Shares.

## 10. TERMS AND CONDITIONS

The subscription of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in this AP and the accompanying NPA and RSF.

## 11. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES AS WELL AS FOR EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.**

**ACCEPTANCES WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS AP, THE RSF AND NOTES AND INSTRUCTION PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

### 11.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for the Rights Shares, as well as to apply for any Excess Rights Shares if you choose to do so. This AP and the RSF are also available on Bursa Securities' website at "www.bursamalaysia.com".

### 11.2 Procedures for acceptance and payment

If you wish to accept your entitlement to the Provisional Rights Shares either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions therein. Each completed RSF together with the appropriate remittance(s) for the full amount payable in respect of the amount of the Rights Shares accepted must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** in the official envelope provided, at your own risk, to our Share Registrar at the following address:

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

so as to arrive not later than **5.00 p.m. on 30 July 2013**, being the last time and date for acceptance and payment, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time.

If you do not wish to accept the Provisional Rights Shares in full, you are entitled to accept part of your entitlement. The minimum number of Rights Shares that can be accepted is one Rights Share. You should also take note that a trading board lot of the Sunway Shares comprises 100 Sunway Shares. You have to complete Parts I(A) and II of the RSF by specifying the number of Rights Shares which you are accepting. The portion of the Rights Shares that has not been accepted will be allotted to applicants applying for Excess Rights Shares in the manner set out in Section 11.3 of this AP.

Acceptance of and payment for the Provisional Rights Shares must be made on the RSF and must be completed in accordance with the notes and instructions therein. Acceptances which do not conform with the terms of this AP or RSF together with the notes and instructions therein or which are illegible may not be accepted at the absolute discretion of our Board.

All acceptance of and payment for the Provisional Rights Shares must be submitted to our Share Registrar by the mode of despatch of your choice and is entirely at your own risk.

One RSF can only be used for acceptance of the Provisional Rights Shares standing to the credit of one CDS Account. A separate RSF must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than one CDS Account. If successful, the Rights Shares that you subscribed for will be credited into your respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

A reply envelope is enclosed in this AP. To facilitate the processing of the RSF by our Share Registrar, you are advised to use one reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Provisional Rights Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "SUNWAY RIGHTS ISSUE ACCOUNT", crossed "A/C PAYEE ONLY", and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number**. The remittance must be made for the exact amount payable for the Provisional Rights Shares accepted. Any acceptance with excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

**NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE PROVISIONAL RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.**

If acceptance of and payment for the Provisional Rights Shares (whether in full or in part, as the case may be) are not received by our Share Registrar by **5.00 p.m. on 30 July 2013**, being the last date and time for acceptance and payment, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time, your Provisional Rights Shares will be deemed to have been declined and will be cancelled. Such Provisional Rights Shares not taken up shall be made available for Excess Rights Shares in the manner as set out in Section 11.3 of this AP.

**AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN. IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 14 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.**

### **11.3 Application for Excess Rights Shares**

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, you may do so by completing Part I(B) and II of the RSF and forwarding the RSF with a **SEPARATE** remittance for the full amount payable in respect of the Excess Rights Shares applied for to our Share Registrar at the address set out in Section 11.2 of this AP so as to arrive not later than **5.00 p.m. on 30 July 2013**, being the last time and date for application and payment for Excess Rights Shares, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time.

Payment for the Excess Application should be made in the same manner described in Section 11.2 of this AP except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to **"SUNWAY EXCESS RIGHTS SHARES ACCOUNT"**, crossed **"A/C PAYEE ONLY"**, and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number.** Cheques or any other mode of payments not prescribed herein are not acceptable.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares applied for under the RSF in such manner as it deems fit and expedient, and in the best interest of our Company subject always to such allocation achieving the intention of our Board as set out in Section 11.3 (i) - (iii). Our Board also reserves the right to allot the Excess Rights Shares in respect of any Excess Application, in full or in part, without assigning any reason thereto. It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:

- (i) firstly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings on the Entitlement Date;
- (iii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications; and
- (iv) thirdly, for allocation to transferee(s) and/or renounee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications.

**NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF FOR THE EXCESS APPLICATION OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE EXCESS RIGHTS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES.**



**AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 14 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES.**

**IF YOU LOSE, MISPLACE OR FOR ANY REASON REQUIRE ANOTHER COPY OF THE RSF, YOU MAY OBTAIN ADDITIONAL COPIES FROM YOUR STOCKBROKERS, OUR REGISTERED OFFICE, BURSA SECURITIES' WEBSITE AT "WWW.BURSAMALAYSIA.COM" OR OUR SHARE REGISTRAR AT THE ADDRESS SET OUT IN SECTION 11.2 OF THIS AP.**

#### **11.4 Procedure for sale and/or transfer of the Provisional Rights Shares**

The Provisional Rights Shares is renounceable in full and in part and will be traded on Bursa Securities commencing 16 July 2013 until 22 July 2013 at 5.00 p.m. As such, you and/or your renounee(s) may sell/transfer all or part of your entitlements to the Provisional Rights Shares.

As the Provisional Rights Shares are prescribed securities, you and/or your renounee(s) who wish to sell/transfer all or part of your entitlement to the Provisional Rights Shares may do so immediately through your stockbroker for the period up to the last date and time for sale/transfer of the Provisional Rights Shares without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Accounts.

To sell/transfer all or part of your Provisional Rights Shares, you and/or your renounee(s) may sell such entitlements on Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository, for the period up to the last time and date for the sale/transfer of your Provisional Rights Shares.

In selling/transferring all or part of your Provisional Rights Shares, you and/or your renounee(s) need not deliver any document (including the RSF) to the stockbroker in respect of the portion of the Provisional Rights Shares to be sold/transferred. However, you and/or your renounee(s) must ensure that you have sufficient Provisional Rights Shares standing to the credit of your CDS Account for settlement of the sale/transfer.

If you have purchased any Provisional Rights Shares on Bursa Securities, to enable you to accept the Provisional Rights Shares, you should obtain the RSF from one of the following:

- 1) Any Malaysian stockbroking company
- 2) Our Registered Office at:

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

- 3) Our Share Registrar's office at:
- Sunway Management Sdn Bhd  
Level 16, Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
46150 Petaling Jaya  
Selangor Darul Ehsan
- 4) Bursa Securities' website at "www.bursamalaysia.com"

If you and/or your renounee(s) have sold only part of your Provisional Rights Shares, you may still accept the balance of your entitlements to the Provisional Rights Shares by completing Parts I(A) and II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Provisional Rights Shares applied for to our Share Registrar in accordance with the instructions in Section 11.2 of this Prospectus.

### 11.5 CDS Accounts

Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be by book entry through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a CDS Account in order to subscribe for the Rights Shares. Failure to comply with the specific instructions for application or inaccuracy in the CDS Account number may result in the application being rejected.

The acceptance of the Provisional Rights Shares by you or any purchaser of the Provisional Rights Shares thereof shall mean consent to receiving such Rights Shares as prescribed securities which will be credited directly into your or the purchaser's CDS Account.

All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF for subscription of all of these Rights Shares. Separate RSF must be used for separate CDS Accounts. If successful, the Rights Shares that you subscribed for will be credited into your respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

### 11.6 Foreign-addressed Shareholders

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered for purchase or subscription, in any country or jurisdiction other than, nor under or in accordance with any laws other than that of, nor lodged, registered or approved by any regulatory authority or relevant body other than those in, Malaysia.

The Rights Issue to which this AP relates is only available to Entitled Shareholders receiving this AP and the RSF electronically or otherwise within Malaysia. Accordingly, the Documents will only be sent to the Entitled Shareholders of our Company who do not have a registered address in Malaysia ("**Foreign-Addressed Shareholders**") at their address for service in Malaysia that is stated in our Record of Depositors. Foreign-Addressed Shareholders may also collect or authorise any other persons to collect on their behalf, this AP including the accompanying documents from our Share Registrar, in which event, our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and/or authority of the person collecting the aforesaid documents.

If you accept the Rights Issue, we will assume that such acceptance would not be in breach of the laws of any jurisdiction that you are subject to and that your acceptance of such Rights Issue will be subject to the laws of, Malaysia.

Nevertheless, our Board reserves the right, in its absolute discretion, to treat any acceptance as invalid and/or ineffective, if they believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers and to satisfy yourself as to whether your acceptance or renunciation of your Provisional Rights Shares would result in the contravention of any law to which you are subject (including those of any country or jurisdiction other than Malaysia, if any) and we, RHB Investment Bank or any other advisers to the Rights Issue do not accept and hereby disclaim any responsibility or liability whatsoever to any party in the event that such acceptance or renunciation by you and/or your renounee(s) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Remittances by Foreign-Addressed Shareholders and/or their renounee(s) who wish to accept the Provisional Rights Shares subject to the above conditions must be made in the manner prescribed in Sections 11.2 of this AP.

If you are a Foreign-Addressed Shareholder, by signing the RSF, you and/or your renounee(s) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Board and officers and other advisers to the Rights Issue that:


- (i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which you and/or your renounee(s) are or may be subject to;
- (ii) you and/or your renounee(s) have complied with the laws to which you and/or your renounee(s) are or may be subjected to in connection with the acceptance or renunciation;
- (iii) you and/or your renounee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) you and/or your renounee(s) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;
- (v) you and/or your renounee(s) have respectively received a copy of this AP and have read and understood the contents of this AP; and
- (vi) you and/or your renounee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

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**12. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**SUNWAY BERHAD**

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

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE PASSED AT OUR EGM DATED 27 JUNE 2013**



EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON THE 27<sup>TH</sup> DAY OF JUNE 2013.

**ORDINARY RESOLUTION 1:**

**PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 568,702,201 NEW ORDINARY SHARES OF RM1.00 EACH IN SUNWAY ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.70 ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING ORDINARY SHARES OF RM1.00 EACH IN SUNWAY ("SUNWAY SHARES") HELD BY THE SHAREHOLDERS OF SUNWAY ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")**

Based on the members and proxies who were present and voted, the resolution was duly passed with 99.99% (1,077,475,087 shares) voted for the resolution and 0.002% (22,331 shares) voted against the resolution.

**It was hereby RESOLVED:**

**THAT** subject to the requisite consents/approvals of the relevant authorities/parties (where applicable, including the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Rights Shares) being obtained, authority be hereby given to the Board of Directors of the Company ("**Board**") to allot (provisionally or otherwise) by way of a renounceable rights issue of up to 568,702,201 Rights Shares at an issue price of RM1.70 on the basis of one Rights Share for every three existing Sunway Shares held by the shareholders of the Company whose names appear on the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board.

**THAT** the Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with, and be entitled to all rights (including voting, dividend, allotment, distribution, transfer and other rights, including those arising on a liquidation of the Company) attaching to, the then existing Sunway Shares except that the Rights Shares so allotted will not be entitled to any rights, dividends, allotments or other distributions, the entitlement date of which is declared prior to the date of allotment of the Rights Shares and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise.

**THAT** the Board be hereby empowered and authorised to disregard and deal with any fractional entitlement and fraction of the Sunway Shares that may arise from the Proposed Rights Issue in such manner as they shall at their absolute discretion deem fit or expedient and in the best interest of the Company.

**Certified True Copy:-**

.....  
**SARENA CHEAH YEON TIH**  
 Director

.....  
**TAN KIM AUN**  
 Company Secretary

...2/-

**CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE PASSED AT OUR EGM DATED 27 JUNE 2013 (Cont'd)**



EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON THE 27<sup>TH</sup> DAY OF JUNE 2013  
Page 2

**THAT** the Board be hereby authorised to approve and give effect to any adjustment, variation, modification or amendment to the deed poll dated 28 June 2011 ("**Deed Poll**") governing the Sunway warrants 2011/2016 ("**Warrants**") in accordance with and subject to the terms therein (including but not limited to the exercise price and number of Warrants), to issue and allot such additional number of Warrants pursuant to the adjustments under the Deed Poll, and to issue and allot such additional number of Sunway Shares to be credited as fully paid-up upon full payment arising from the exercise of such additional Warrants, and all such new Sunway Shares shall, upon allotment and issuance, rank *pari passu* in all respects with, and be entitled to all rights, (including voting, dividend, allotment, distribution, transfer and other rights, including those arising on a liquidation of the Company) attaching to, the then Sunway Shares, except that they shall not be entitled to any rights, dividends, allotments and/or other distributions, the entitlement date of which is declared prior to the date of allotment of such new Sunway Shares.

**THAT** approval be hereby given for the Company to utilise the proceeds of the Proposed Rights Issue for the purposes set out in the Circular, and the Board be hereby authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board shall in their absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of the Company.

**AND THAT** the Board be hereby authorised to execute or enter into agreements, deeds or arrangements as the Board may deem necessary or expedient and to take all such necessary steps to give effect to the aforesaid Proposed Rights Issue with full power to consent to and to adopt such conditions, variations, modifications and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Rights Issue and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue in the best interest of the Company.

**Certified True Copy:-**

.....  
**SARENA CHEAH YEAP TIH**  
Director

.....  
**TAN KIM AUN**  
Company Secretary

Dated this 1<sup>st</sup> day of July 2013

**INFORMATION ON OUR COMPANY****1. HISTORY AND PRINCIPAL ACTIVITIES**

Our Company was incorporated in Malaysia as a private limited company under the Act on 10 November 2010 as Alpha Sunrise Sdn Bhd. Our Company subsequently changed its name to Sunway Sdn Bhd on 23 November 2010 and was converted into a public limited company and assumed its present name on 30 November 2010. Our Company was officially listed on the Main Market of the Bursa Securities on 23 August 2011.

Our Company was set up as a special purpose company to facilitate the acquisition of all the businesses and undertakings of Sunway City Berhad and Sunway Holdings Berhad as at 18 August 2011, including their assets and liabilities.

The principal activities of our Company are investment holding and provision of management services. Our Group is involved in the core businesses of property and construction. Other businesses include quarry, building materials, trading and manufacturing as well as hospitality, leisure and healthcare.

**2. SHARE CAPITAL AND MOVEMENT IN SHARE CAPITAL****2.1. Share capital**

Our authorised and issued and paid-up share capital as at LPD are as follows:

	No. of Sunway Shares	Par value	Total
	('000)	(RM'000)	(RM'000)
<b>Authorised</b>	10,000,000	10,000,000	10,000,000
<b>Issued and paid-up</b>	1,292,515	1,292,515	1,292,515

**2.2. Changes in share capital**

The changes in our issued and fully paid-up share capital for the past three years prior to the LPD are as follows:

Date of allotment	No. of Sunway Shares allotted	Par Value (RM)	Type of issue / Consideration	Cumulative issued and paid-up ordinary share capital (RM)
10.11.2010	2	1.00	Cash (Subscribers' Shares)	2
18.08.2011	1,292,505,002	1.00	Part consideration for the acquisition of the entire business and undertaking including all assets and liabilities of Sunway City Berhad and Sunway Holdings Berhad	1,292,505,004
29.01.2013	148	1.00	Cash (Exercise of Warrants)	1,292,505,152
18.04.2013	1,117	1.00	Cash (Exercise of Warrants)	1,292,506,269
02.05.2013	1,476	1.00	Cash (Exercise of Warrants)	1,292,507,745
28.05.2013	3,215	1.00	Cash (Exercise of Warrants)	1,292,510,960
11.06.2013	4,072	1.00	Cash (Exercise of Warrants)	1,292,515,032

## INFORMATION ON OUR COMPANY (Cont'd)

## 3. SUBSTANTIAL SHAREHOLDERS

For illustrative purposes only, based on the Assumptions, the proforma effects of the Corporate Exercises on our Company's substantial shareholders' shareholdings as at LPD are set out in the table below:

Minimum Scenario

Name	As at LPD				Proforma I After the Rights Issue				Proforma II After Proforma I and the full exercise of all ESOS Options^			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
TSJC	54,363	4.21	610,958 <sup>(a)</sup>	47.27	72,484	4.79	814,611 <sup>(a)</sup>	53.79	87,627	5.26	860,039 <sup>(b)</sup>	51.63
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	-	-	665,321 <sup>(e)</sup>	51.47	-	-	887,095 <sup>(e)</sup>	58.58	15,143	0.91	932,523 <sup>(e)</sup>	55.98
Sarena Cheah	433	0.03	664,788 <sup>(f)</sup>	51.43	577	0.04	886,384 <sup>(f)</sup>	58.53	15,720	0.94	916,670 <sup>(f)</sup>	55.03
Evan Cheah	101	0.01	664,787 <sup>(h)</sup>	51.43	134	0.01	886,383 <sup>(h)</sup>	58.53	15,277	0.92	916,669 <sup>(h)</sup>	55.03
SWCSB	575,400	44.52	-	-	767,200	50.66	-	-	767,200	46.06	-	-
Active Equity Sdn Bhd	-	-	575,400 <sup>(j)</sup>	44.52	-	-	767,200 <sup>(j)</sup>	50.66	-	-	767,200 <sup>(j)</sup>	46.06
Government of Singapore Investment Corporation Pte Ltd	158,000	12.22	-	-	158,000	10.43	-	-	158,000	9.49	-	-



## INFORMATION ON OUR COMPANY (Cont'd)

Maximum Scenario

Name	As at LPD		Proforma I After full exercise of all Outstanding Sunway Warrants*		Proforma II After Proforma I and the full exercise of all ESOS Options <sup>^</sup>		Proforma III After Proforma II and the Rights Issue									
	Indirect		Indirect		Indirect		Indirect									
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%								
TSJC	54,363	4.21	610,958 <sup>(a)</sup>	47.27	64,304	4.15	724,381 <sup>(a)</sup>	46.70	79,814	4.68	770,911 <sup>(a)</sup>	45.19	106,418	4.68	1,027,881 <sup>(a)</sup>	45.19
Puan Sri Datin Seri (Dr) Susan Cheah Sook Cheng	-	-	665,321 <sup>(a)</sup>	51.47	-	-	788,684 <sup>(a)</sup>	50.85	15,510	0.91	835,214 <sup>(a)</sup>	48.95	20,680	0.91	1,113,619 <sup>(a)</sup>	48.95
Sarena Cheah	433	0.03	664,788 <sup>(b)</sup>	51.43	520	0.03	788,045 <sup>(b)</sup>	50.81	16,030	0.94	819,065 <sup>(b)</sup>	48.01	21,373	0.94	1,092,086 <sup>(b)</sup>	48.01
Evan Cheah	101	0.01	664,787 <sup>(b)</sup>	51.43	121	0.01	788,044 <sup>(b)</sup>	50.81	15,631	0.92	819,064 <sup>(b)</sup>	48.01	20,841	0.92	1,092,085 <sup>(b)</sup>	48.01
SWCSB	575,400	44.52	-	-	682,719	44.02	-	-	682,719	40.02	-	-	910,292	40.02	-	-
Active Equity Sdn Bhd	-	-	575,400 <sup>(b)</sup>	44.52	1,392	0.09	682,719 <sup>(b)</sup>	44.02	1,392	0.08	682,719 <sup>(b)</sup>	40.02	1,856	0.08	910,292 <sup>(b)</sup>	40.02
Government of Singapore Investment Corporation Pte Ltd	158,000	12.22	-	-	189,600	12.22	-	-	189,600	11.11	-	-	252,800	11.11	-	-

**Notes:**

- (a) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB and children.
- (b) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB, spouse and children.
- (c) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB and children.
- (d) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Active Equity Sdn Bhd, SWCSB, spouse and children.
- (e) Deemed interest by virtue of Section 6A of the Act, held through Jef-San Enterprise Sdn Bhd, spouse and children.
- (f) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, SWCSB, spouse and parents.
- (g) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, SWCSB, Active Equity Sdn Bhd, spouse and parents.
- (h) Deemed interest by virtue of Section 6A of the Act, held through SWCSB and parents.
- (i) Deemed interest by virtue of Section 6A of the Act, held through SWCSB, Active Equity Sdn Bhd and parents.

**INFORMATION ON OUR COMPANY (Cont'd)**

- (i) Deemed interest by virtue of Section 6A of the Act, held through SWCSB.  
 ^ Assuming our substantial shareholders, namely TSJC, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah and Evan Cheah, all of whom are Executive Directors or employees of our Group, are each granted the maximum of 10% of the total number of ESOS Options where all of them are vested and exercised in full.

Name	% of total number of ESOS Options	Total number of Sunway Shares issued	
		Minimum Scenario	Maximum Scenario
TSJC	10%	15,142,888	15,510,060
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	10%	15,142,888	15,510,060
Sarena Cheah	10%	15,142,888	15,510,060
Evan Cheah	10%	15,142,888	15,510,060

\* The warrant holdings of our substantial shareholders as at LPD are as follows:

Name	No. of Sunway Warrants ('000)	% of Outstanding Sunway Warrants
TSJC	9,941	3.85
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	-	-
Sarena Cheah	87	0.03
Evan Cheah	20	0.01
SWCSB	107,319	41.52
Active Equity Sdn Bhd	1,392	0.54
Government of Singapore Investment Corporation Pte Ltd	31,600	12.22

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## INFORMATION ON OUR COMPANY (Cont'd)

## 4. DIRECTORS

## 4.1. Particulars of our directors

The particulars of our directors as at LPD are as follows:

Name (Designation)	Nationality	Age	Address	Profession
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO (Executive Chairman, Non-Independent Executive Director)	Malaysian	68	36, Lorong Bukit Pantai Lapan Pantai Hill 59100 Kuala Lumpur	Company Director
Datuk Seri Razman M Hashim (Deputy Executive Chairman, Non-Independent Executive Director)	Malaysian	74	No. 18, Jalan Palong The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan	Company Director
Dato' Chew Chee Kin (President, Non-Independent Executive Director)	Malaysian	67	No. 5, Pinggiran Golf Saujana Resort Seksyen U2 40150 Shah Alam Selangor Darul Ehsan	Company Director
Sarena Cheah Yean Tih (Non-Independent Executive Director)	Malaysian	38	36, Lorong Bukit Pantai Lapan Pantai Hill 59100 Kuala Lumpur	Company Director
Wong Chin Mun (Independent Non-Executive Director)	Malaysian	68	Kiaramas Ayuria Condominium Unit No. A-32-01 No. 9, Jalan Kiara 7 Off Jalan Bukit Kiara 50480 Kuala Lumpur	Company Director
Lim Swe Guan (Independent Non-Executive Director)	Singaporean	59	49 Woo Mon Chew Road Singapore 455126	Company Director

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## INFORMATION ON OUR COMPANY (Cont'd)

## 4.2. DIRECTORS' SHAREHOLDINGS

For illustrative purposes only, based on the Assumptions, the proforma effects of the Corporate Exercises on our directors' shareholdings as at LPD are set out in the table below:

Minimum Scenario

Name	As at LPD				Proforma I After the Rights Issue				Proforma II After Proforma I and the full exercise of all ESOS Options <sup>^</sup>			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%
TSJC	54,363	4.21	610,958 <sup>(a)</sup>	47.27	72,484	4.79	814,611 <sup>(a)</sup>	53.79	87,627	5.26	860,039 <sup>(b)</sup>	51.63
Datuk Seri Razman M Hashim	792	0.06	-	-	792	0.05	-	-	15,935	0.96	-	-
Dato' Chew Chee Kin	2,283	0.18	257 <sup>(c)</sup>	0.02	2,283	0.15	257 <sup>(c)</sup>	0.02	17,426	1.05	257 <sup>(c)</sup>	0.02
Sarena Cheah	433	0.03	664,788 <sup>(d)</sup>	51.43	577	0.04	886,384 <sup>(d)</sup>	58.53	15,720	0.94	916,670 <sup>(d)</sup>	55.03
Wong Chin Mun	59	0.00	-	-	59	0.00	-	-	59	0.00	-	-
Lim Swe Guan	-	-	-	-	-	-	-	-	-	-	-	-

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## INFORMATION ON OUR COMPANY (Cont'd)

## Maximum Scenario

Name	As at LPD		Proforma I After full exercise of all Outstanding Sunway Warrants*		Proforma II After Proforma I and the full exercise of all ESOS Options <sup>^</sup>		Proforma III After Proforma II and the Rights Issue										
	Direct		Indirect		Direct		Indirect										
	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%	No. of Shares ( <sup>'000</sup> )	%									
TSJC	54,363	4.21	610,958 <sup>(a)</sup>	47.27	64,304	4.15	724,381 <sup>(c)</sup>	46.70	79,814	4.68	770,911 <sup>(d)</sup>	45.19	106,418	4.68	1,027,881 <sup>(e)</sup>	45.19	
Datuk Seri Razman M Hashim	792	0.06	-	-	912	0.06	-	-	-	16,422	0.96	-	-	21,897	0.96	-	-
Dato' Chew Chee Kin	2,283	0.18	257 <sup>(e)</sup>	0.02	3,501	0.23	538 <sup>(e)</sup>	0.03	19,011	1.11	538 <sup>(e)</sup>	0.03	25,348	1.11	718 <sup>(e)</sup>	0.03	
Sarena Cheah	433	0.03	664,788 <sup>(b)</sup>	51.43	520	0.03	788,045 <sup>(b)</sup>	50.81	16,030	0.94	819,065 <sup>(b)</sup>	48.01	21,373	0.94	1,092,086 <sup>(b)</sup>	48.01	
Wong Chin Mun	59	0.00	-	-	71	0.00	-	-	71	0.00	-	-	95	0.00	-	-	
Lim Swe Guan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## Notes:

- (a) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB and children.
- (b) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB, spouse and children.
- (c) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB and children.
- (d) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, Active Equity Sdn Bhd, SWCSB, spouse and children.
- (e) Deemed interest by virtue of Section 6A of the Act, held through spouse.
- (f) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, SWCSB, spouse and parents.
- (g) Deemed interest by virtue of Section 6A of the Act, held through Active Builder Sdn Bhd, SWCSB, Active Equity Sdn Bhd, spouse and parents.

## INFORMATION ON OUR COMPANY (Cont'd)

^ Assuming our Executive Directors are each granted the maximum of 10% of the total number of ESOS Options where all of them are vested and exercised in full.

Name	% of total number of ESOS Options	Total number of Sunway Shares issued	
		Minimum Scenario	Maximum Scenario
TSJC	10%	15,142,888	15,510,060
Datuk Seri Razman M Hashim	10%	15,142,888	15,510,060
Dato' Chew Chee Kin	10%	15,142,888	15,510,060
Sarena Cheah	10%	15,142,888	15,510,060

\* The warrant holdings of our directors as at LPD are as follows:

Name	No. of Sunway Warrants ('000)	% of Outstanding Sunway Warrants
TSJC	9,941	3.85
Datuk Seri Razman M Hashim	120	0.05
Dato' Chew Chee Kin	1,218	0.47
Sarena Cheah	87	0.03
Wong Chin Mun	12	0.00
Lim Swe Guan	-	-

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## INFORMATION ON OUR COMPANY (Cont'd)

## 5. SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

Our subsidiaries as at LPD are as follows:

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Subsidiaries of Sunway</b>				
Sunway City Sdn Bhd ("SCSB")	13.07.1982/ Malaysia	251,354	100	Investment holding
Sunway Holdings Sdn Bhd ("SHSB")	26.01.1978/ Malaysia	1,929	100	Investment holding and provision of management services
Sunway Treasury Sdn Bhd	05.06.1997/ Malaysia	2,500,002	100	Provision of financial services
Sunway REIT Management Sdn Bhd	14.02.2008/ Malaysia	1,000,000	100	Managing and administering real estate investment fund
Sunway REIT Holdings Sdn Bhd	21.04.2000/ Malaysia	2	100	Investment holding
Sunway Lagoon Club Berhad (held in trust by SCSB)	14.08.1989/ Malaysia	2,400,000	84	Recreational club facilities
Sunway Medical Centre Berhad (held in trust by SCSB)	27.04.1995/ Malaysia	131,121,845	99.53	Operator of a medical centre
Sunway Real Estate (China) Limited (60% held by SCSB and 40% held by SunwayMas Sdn Bhd)	04.06.2008/ Hong Kong	HKD1,513,346	100	Investment holding
<b>Subsidiaries of SCSB</b>				
Sunway Integrated Properties Sdn Bhd	04.01.1984/ Malaysia	2,818,274	100	Property development
Sunway Kinrara Sdn Bhd	10.02.1987/ Malaysia	250,000	100	Property development
Sunway Hotel (Penang) Sdn Bhd	08.11.1984/ Malaysia	20,710,361	100	Hotelier
Sunway City (Penang) Sdn Bhd	27.06.1985/ Malaysia	2,000,000	100	Property development, provision of property management services and investment holding
Konsep Objektif (M) Sdn Bhd	23.11.1994/ Malaysia	69,704	70	Investment holding
Sunway Pyramid Sdn Bhd	12.04.1993/ Malaysia	100	100	Dormant
Sunway City Properties Sdn Bhd	07.05.1974/ Malaysia	250,000	100	Property development
Sunway Lagoon Sdn Bhd	18.01.1991/ Malaysia	10,000,000	100	Theme park operator

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Resort Hotel Sdn Bhd	23.05.1989/ Malaysia	20,000,000	100	Hotelier
Sunway Travel Sdn Bhd	27.12.1986/ Malaysia	1,148,000	100	Travel and tour businesses and investment holding
Sunway Hospitality Holdings Limited	23.03.1995/ British Virgin Islands	USD1,000	100	Hotel management
Emerald Tycoon Sdn Bhd	25.07.2001/ Malaysia	300,000	100	Investment holding
Sunway Grand Sdn Bhd	20.01.1981/ Malaysia	700,000	100	Property development
Pembinaan Objektif (M) Sdn Bhd	23.11.1994/ Malaysia	100	100	Dormant
Sunway Medical Holdings Sdn Bhd	28.12.1990/ Malaysia	1,000,003	100	Investment holding
Sunway FSSC Sdn Bhd (formerly known as SunCity SSC Sdn Bhd)	28.12.2002/ Malaysia	2	100	Provision of financial, accounting and information technology services
Sunway City (Cambodia) Sdn Bhd	25.10.1995/ Malaysia	100	76	Investment holding
Sunway City (Ipoh) Sdn Bhd	28.06.1991/ Malaysia	28,600,000	79	Property development and investment holding
Sunway Damansara Sdn Bhd	28.02.1989/ Malaysia	10,250,002	60	Property development and investment holding
Sunway Semenyih Sdn Bhd	22.07.1996/ Malaysia	10,000,000	70	Property development
Sunway Tunas Sdn Bhd	22.02.1995/ Malaysia	250,000	100	Property development
Area Star Sdn Bhd	02.01.1997/ Malaysia	23,506	100	Property investment and property dealing
Sunway City (S'pore) Pte. Ltd.	24.09.1982/ Singapore	SGD2 SGD52,130,000 (non-cumulative redeemable preference shares)	100	Promotion and marketing services and investment holding
Sunway Development Sdn Bhd	08.01.1998/ Malaysia	2	100	Dormant
Sunway Destiny Sdn Bhd	18.08.1997/ Malaysia	3,310,000	100	Management and letting out of properties
Sunway Facility Management Sdn Bhd	14.08.1997/ Malaysia	1,800	100	Building facilities management and provision of management services



## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Leisure Sdn Bhd	14.01.2010/ Malaysia	2	100	Ice rink operator and car park management
Sunway City (JB) Sdn Bhd	31.03.2010/ Malaysia	795,000	80	Property development
Sunway IFM Sdn Bhd	06.11.1984/ Malaysia	100	100	Building facilities management
Sunway Melawati Sdn Bhd	18.02.2003/ Malaysia	749,845	100	Property development
Sunway Bukit Gambier Sdn Bhd	27.05.2003/ Malaysia	250,000	100	Property development
Sunway PFM Sdn Bhd	06.06.1991/ Malaysia	33,480,000	100	Building facilities management
Sunway Crest Sdn Bhd	12.05.2001/ Malaysia	250,000	100	Dormant
Sunway International Vacation Club Berhad	05.03.2004/ Malaysia	10,000,000	100	Management of timeshare memberships
Sunway Tower 2 Sdn Bhd	16.03.2001/ Malaysia	250,000	100	Dormant
Sunway MUSC Sdn Bhd	25.04.2001/ Malaysia	2	100	Property investment
Sunway Healthy Lifestyle Sdn Bhd	26.04.2005/ Malaysia	1,000,000	100	Management of healthcare programmes
Sunway Residence Sdn Bhd	08.02.2001/ Malaysia	100,000	100	Property investment and hotel operation
Sunway Leisure Services Sdn Bhd	29.03.2001/ Malaysia	200,000	100	Operation of travel and tour businesses and provision of transportation services
Rich Worldclass Sdn Bhd	30.07.2009/ Malaysia	12	100	Property investment
Sunway Homes (MM2H) Sdn Bhd	30.04.2001/ Malaysia	50,000	100	To act as agent to participate, promote and market Malaysia My Second Home (MM2H) Programme to potential clients
Sunway Tower 1 Sdn Bhd	25.04.2001/ Malaysia	285,425	100	Property investment
Sunway Symphony Sdn Bhd	16.04.2007/ Malaysia	2	100	Property investment
Sunway Direct Sdn Bhd (formerly known as Sunway Loyalty Card Sdn Bhd)	03.09.2010/ Malaysia	2	100	Loyalty card programmes
Sunway Pinnacle Sdn Bhd)	26.03.2010/ Malaysia	500,010	100	Property investment

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway City India Private Limited	27.12.2006/ India	INR100,000	100	Property development and investment holding
Sunway Ambience Sdn Bhd	02.04.2007/ Malaysia	2	100	Property investment
Sunway Rahman Putra Sdn Bhd	10.10.2001/ Malaysia	300,000	100	Property development
SunCity Vietnam Sdn Bhd	09.04.2008/ Malaysia	48	100	Investment holding
Sunway Labuan Investment Ltd (formerly known as Sunway City Captive Insurance Ltd)	19.06.2009/ Malaysia	USD1	100	Investment holding
Warisan Kerjasama Sdn Bhd	23.03.2010/ Malaysia	2	100	Dormant
Sunway Pyramid Hotel Sdn Bhd (formerly known as Sunway Parking Management Sdn Bhd)	28.11.1997/ Malaysia	10,028	100	Property investment
Sunway Century Sdn Bhd (formerly known as Salient Century Sdn Bhd)	21.12.2009/ Malaysia	2	100	Property investment
Sunway Pyramid Development Sdn Bhd	21.12.2010/ Malaysia	145	100	Property Investment
Sunway Putra Hotel Sdn Bhd	29.03.2011/ Malaysia	10,000	100	Hotelier
Sejati Pesona Sdn Bhd	28.03.1992/ Malaysia	2	100	Dormant
Pena Enterprise Sdn Bhd	15.02.1990/ Malaysia	354,601	100	Property development and investment holding
Sunway Mall Parking Sdn Bhd	03.10.1994/ Malaysia	2	100	Car park operator
Sunway Parking Services Sdn Bhd	28.02.2004/ Malaysia	100	100	Car park management
Logic Square Sdn Bhd	27.04.2001/ Malaysia	2	100	Property Development
Sunway Velocity Mall Sdn Bhd	28.03.2007/ Malaysia	250,000	59	Property Investment
Sunway D'Mont Kiara Sdn Bhd	21.09.2001/ Malaysia	250,000	88	Property development
Ekuiti Meranti (M) Sdn Bhd	27.12.1994/ Malaysia	1,000	100	Investment holding
Sunway Supercar Resort Sdn Bhd (formerly known as Sunway Exotic Cars Resort Sdn Bhd)	12.09.2011/ Malaysia	2	100	Dormant

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Prosper Generation Sdn Bhd	01.03.2013/ Malaysia	2	100	Dormant
Sunway Mall Sdn Bhd	16.12.2010/ Malaysia	2	100	Striking off pursuant to Section 308 of the Act
Sunway Iskandar Development Sdn Bhd ( <i>formerly known as Harmony Impulse Sdn Bhd</i> )	03.10.2012/ Malaysia	100	60	Property development
<b>Subsidiary of SHSB</b>				
Sunway Construction Sdn Bhd	26.04.1976/ Malaysia	193,954,000	100	Turnkey, construction related design and build, civil engineering and building works
SunwayMas Sdn Bhd	02.11.1984/ Malaysia	7,642,120	100	Property and housing development
Sunway VCP Sdn Bhd ( <i>formerly known as Sunway Keramo Sdn Bhd</i> )	09.10.1990/ Malaysia	33,000,000	100	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products
Sunway Marketing Sdn Bhd	21.11.1983/ Malaysia	13,100,009	100	Marketing, distribution and sale of construction related products and industrial products
Sunway Marketing (S) Pte Ltd	21.08.1975/ Singapore	SGD6,000,000	100	Trading in hose and fittings and hose assembly
Sunway Leasing Sdn Bhd	17.10.1977/ Malaysia	8,500,000	100	Provision of finance through leasing, hire purchase, money lending and share financing
Sunway Risk Management Sdn Bhd	06.11.1984/ Malaysia	100,000	100	General and life insurance agency providing insurance underwriting and consultancy service
Sunway Management Sdn Bhd	18.09.1979/ Malaysia	20,000	100	Share registration and secretarial services
Sunway Land Sdn Bhd	19.07.1984/ Malaysia	600,000	100	In members' voluntary liquidation
Sunway Holdings (Vietnam) Sdn Bhd	24.05.1982/ Malaysia	710,002	100	Investment holding
Reptolink Sdn Bhd	26.05.1997/ Malaysia	2	100	Investment holding
Sunway Property (China) Limited	15.07.1988/ Hong Kong	HKD1,000	99	Dormant
Shahawan (M) Sdn Bhd	02.12.1997/ Malaysia	1,000	100	Property investment
Galaxy Avenue Sdn Bhd	05.06.1997/ Malaysia	2	100	Dormant

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway BPO Sdn Bhd	17.09.2001/ Malaysia	2	100	Provision of financial, accounting and information technology services
Sunway Shared Services Sdn Bhd (formerly known as Sunway ITSSC Sdn Bhd)	09.01.2003/ Malaysia	2	100	Provision of financial, accounting and information technology services
Sunway Supply Chain Enterprise Sdn Bhd	26.07.1996/ Malaysia	2	100	Dormant
Sunway Juarasama Sdn Bhd	21.12.1983/ Malaysia	12,000,000	100	Dormant
ABS Land & Properties Berhad#	25.07.2003/ Malaysia	2	-	In members' voluntary liquidation
Sunway Quarry Industries Sdn Bhd	22.11.1983/ Malaysia	9,000,000	100	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects
Sunway Pipeplus Technology Sdn Bhd	29.11.1996/ Malaysia	2,710,000	100	Trading of concrete pipes
Sunway Paving Solutions Sdn Bhd	02.11.1981/ Malaysia	38,253,000	100	Manufacturing and marketing of concrete pavers, hollow concrete blocks and Eurotiles, undertake contracts for paving works and the hiring of heavy machinery
Sunway Quarry (Kuala Kangsar) Sdn Bhd	24.07.1991/ Malaysia	120,000	100	To sell or otherwise deal in stones, aggregates, premix or other construction related products
Sunway Quarry (Melaka) Sdn Bhd	10.03.1983/ Malaysia	7,490,000	100	Investment holding
Sunway Quarry Industries (Caribbean) Limited	27.09.2007/ Trinidad and Tobago	USD2,000,000	100	Manufacturing and quarry operations to carry out contract works for civil projects
Sunway Integrated Outsourcing Sdn Bhd	17.12.1996/ Malaysia	8,000	100	Provision of business process outsourcing, knowledge process outsourcing and information technology outsourcing services
Myanmar Sungei Way Holdings Limited	21.03.1997/ Myanmar	MMK1,000,000	99.9	In members' voluntary liquidation
PT Sunway Quarry Indonesia	04.07.2008/ Indonesia	USD500,000	95	Dormant
Amalan Insaf (M) Sdn Bhd	29.11.1994/ Malaysia	1,000	100	Striking off pursuant to Section 308 of the Act

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Global Limited	07.02.2003/ Hong Kong	HKD278,279,618	98.75	Investment holding and provision of management services
Sunway Elite Sdn Bhd	04.06.1997/ Malaysia	2	100	To coordinate and provide administration of employees' health care benefits and insurance services
Sunway Credit Sdn Bhd	05.02.1982/ Malaysia	1,000,000	100	Provision of finance through hire purchase
Fortuna Gembira Enterpris Sdn Bhd	04.12.1973/ Malaysia	95,602	100	Investment holding
Sunway Cavity Wall Panel Sdn Bhd	17.01.2008/ Malaysia	2,510,000	100	Manufacturing and marketing of cavity wall panel
Sunway Cavity Wall Panel (S) Pte Ltd	21.01.2008/ Singapore	SGD250,000	100	Manufacturing and marketing of cavity wall panel
Sunway Quarry Industries (Melaka) Sdn Bhd	05.07.1961/ Malaysia	5,700,000	100	Granite quarrying
Sunway Captive Insurance Ltd	19.06.2009/ Malaysia	USD200,000	100	To carry on business as a Labuan subsidiary rent-a-captive insurer
<b>Subsidiaries of Sunway City (Penang) Sdn Bhd</b>				
Fame Parade Sdn Bhd	20.04.1992/ Malaysia	2	100	Letting, management of departmental stores and property development
Era Primision Sdn Bhd	21.04.1992/ Malaysia	2	100	Letting, management of departmental stores and property development
Commercial Parade Sdn Bhd	12.03.1992/ Malaysia	84	100	Dormant
Sunway Hotel (Seberang Jaya) Sdn Bhd	24.04.1992/ Malaysia	2,000,000	100	Hotel business
Sunway Carnival Sdn Bhd	20.04.1992/ Malaysia	100,000	100	Dormant
Sunway Bintang Sdn Bhd	24.04.1992/ Malaysia	2	100	Property development
Associated Circle Sdn Bhd	21.04.1992/ Malaysia	2	100	Property development
Alliance Parade Sdn Bhd	14.04.1992/ Malaysia	51	100	Dormant
Sunway Orient Sdn Bhd	07.06.1995/ Malaysia	100	100	Dormant

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Subsidiary of Konsep Objektif (M) Sdn Bhd</b>				
Sunway Hotel Phnom Penh Limited	03.09.1996/ Cambodia	USD4,000,000	52.50	Hotel business
<b>Subsidiaries of Sunway Lagoon Sdn Bhd</b>				
Eastern Glory Enterprises Limited	18.11.1996/ British Virgin Islands	AUD24,521,365	45	Investment holding
Sunway Townhouse Sdn Bhd	26.08.1997/ Malaysia	265,903	100	Property development and letting of property
Sunway South Quay Sdn Bhd	10.12.2003/ Malaysia	250,000	60	Property development
Frontier Acres Sdn Bhd	09.03.2004/ Malaysia	25,000	100	Investment holding
<b>Subsidiaries of SunCity Vietnam Sdn Bhd</b>				
Hochimex Nominee Company Limited	16.01.1992/ Hong Kong	HKD1,000,000	100	Investment holding
Sunway Hotel Hanoi Liability Limited Company with one member	09.10.1992/ Vietnam	USD5,040,000	100	Hotel business
<b>Subsidiary of Sunway South Quay Sdn Bhd</b>				
Sunway Monash-U Residence Sdn Bhd	06.01.2009/ Malaysia	300,000	60	Property investment
Prosper Revenue Sdn Bhd	01.03.2013/ Malaysia	2	60	Property development
<b>Subsidiaries of Sunway Hospitality Holdings Ltd</b>				
Allson International Hotels & Resorts (B.V.I) Limited	11.09.1990/ British Virgin Islands	USD1	100	Hotel management
Allson International Management Limited	11.08.1992/ British Virgin Islands	USD1	100	Hotel management
Sunway International Hotels & Resorts Sdn Bhd	09.05.1997/ Malaysia	2	100	Hotel management
Allson International Hotels & Resorts Sdn Bhd	21.08.2007/ Malaysia	2	100	Hotel management
<b>Subsidiary of Sunway City (Cambodia) Sdn Bhd</b>				
Sunway City Cambodia Limited	16.09.1997/ Cambodia	USD500,000	60.80	Dormant
<b>Subsidiary of Sunway City (S'pore) Pte Ltd</b>				
Sunway Investment Management Consultancy (Shanghai) Co. Ltd	02.11.2011/ China	USD2,500,000	100	Provision of management consultancy advisory services

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Subsidiaries of Sunway City (Ipoh) Sdn Bhd</b>				
Kinta Sunway Resort Sdn Bhd	16.09.1995/ Malaysia	10,000,065	79	Property investment and hotel owner and operator
Objektif Ekuiti (M) Sdn Bhd	14.06.1995/ Malaysia	2	79	Dormant
Peluang Klasik (M) Sdn Bhd	07.08.1995/ Malaysia	250,000	79	Dormant
Sunway Lost World Water Park Sdn Bhd ( <i>formerly known as Sunway Lagoon Water Park Sdn Bhd</i> )	15.05.1992/ Malaysia	10,000,000	79	Development and operation of a water theme park
Lagoon Fantasy Sdn Bhd	06.11.1990/ Malaysia	2	79	Dormant
Semangat Kancil (M) Sdn Bhd	18.08.1995/ Malaysia	2	79	Dormant
Ganda Antik Sdn Bhd	22.06.1995/ Malaysia	2	79	Dormant
Sunway Hotel Services (Ipoh) Sdn Bhd	02.12.1994/ Malaysia	2	79	Dormant
Sunway Lost World Hotel Sdn Bhd	30.06.2009/ Malaysia	250,010	79	Hotel business
<b>Subsidiaries of Sunway Damansara Sdn Bhd</b>				
Imbasan Intisari Sdn Bhd	06.05.1996/ Malaysia	2	60	Dormant
Tidal Elegance Sdn Bhd	14.05.1996/ Malaysia	2	60	Dormant
Park Symphony Sdn Bhd	14.05.1996/ Malaysia	2	60	Dormant
Pan Unicreation Sdn Bhd	15.04.1996/ Malaysia	2	60	Dormant
Winning Excellence Sdn Bhd	26.12.1995/ Malaysia	2	60	Dormant
Laudable Generations Sdn Bhd	22.03.1996/ Malaysia	2	60	Dormant
Contemporary Deal Sdn Bhd	25.03.1996/ Malaysia	2	60	Dormant
Contemporary Factor Sdn Bhd	25.03.1996/ Malaysia	2	60	Dormant
Petikan Tropika Sdn Bhd	29.01.1996/ Malaysia	2	60	Dormant
Sunway Giza Mall Sdn Bhd	04.05.1996/ Malaysia	2	60	Letting and management of shopping complex

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Giza Parking Sdn Bhd	02.03.1996/ Malaysia	2	60	Property investment
Sumber Dorongan Sdn Bhd	23.04.1996/ Malaysia	2	60	Dormant
Anggaran Salju Sdn Bhd	20.03.1996/ Malaysia	2	60	Dormant
Bisikan Seni Sdn Bhd	10.04.1996/ Malaysia	2	60	Dormant
Emerald Freight Sdn Bhd	24.04.1996/ Malaysia	2	60	Dormant
Sunway Monterez Sdn Bhd	14.11.2000/ Malaysia	250,000	60	Property development
<b>Subsidiaries of Eastern Glory Enterprise Limited</b>				
Hartford Lane Pty Ltd	29.01.1997/ Australia	AUD12	45	Trustee
International Theme Park Pty Ltd	26.03.1997/ Australia	AUD21,612,564	45	Investment holding
<b>Subsidiaries of International Theme Park Pty. Ltd.</b>				
Sunway Australia Unit Trust	18.02.1997/ Australia	AUD3,973,915	45	Unit trust
Sydney Theme Park Pty Limited	02.04.1984/ Australia	AUD101	45	Theme park licence holder
<b>Subsidiaries of Sunway Medical Centre Berhad</b>				
SunMed@Home Sdn Bhd	27.11.2003/ Malaysia	350,000	99.53	Dormant
SunMed Clinics Sdn Bhd	08.01.2009/ Malaysia	2	99.53	Provision of medical consultation services and facilities services
<b>Subsidiaries of Sunway Construction Sdn Bhd</b>				
Sunway Innopave Sdn Bhd	13.06.1996/ Malaysia	500,000	100	Construction of civil and building works and provision of project management
Sunway M&E Sdn Bhd	09.12.1992/ Malaysia	500,000	100	Provision of mechanical and electrical works
Sunway Machinery Sdn Bhd	04.06.1996/ Malaysia	500,000	100	Renting of machinery and site equipment and undertaking sub-contract work
Sunway Engineering Sdn Bhd	27.04.1995/ Malaysia	1,016,000	100	Provision of mechanical and engineering works
Sunway Builders Sdn Bhd	27.12.1993/ Malaysia	1,000,000	100	Construction of building and civil works



## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Geotechnics (M) Sdn Bhd	17.12.1996/ Malaysia	2,909,602	100	Providing geotechnical services and related products and hire of heavy machineries
Sunspan Sdn Bhd	13.06.1996/ Malaysia	1,000,000	100	Dormant
Sunway Permai Sdn Bhd	13.05.1991/ Malaysia	160,000	80	Property development
Sunway Transit System Sdn Bhd	15.07.2009/ Malaysia	10,000	100	Dormant
Sunway Industrial Products Sdn Bhd	12.08.1997/ Malaysia	222,448	100	Investment holding
Sunway Machineries Services Sdn Bhd	03.02.1994/ Malaysia	1,500,000	100	Investment holding
Sunway Construction India Pte Ltd	31.12.2001/ India	INR100,000	100	Construction of civil and building works
Sunway Creative Stones Sdn Bhd	28.04.1997/ Malaysia	1,000,000	70	Trading of construction materials and general contract work
Sunway GD Piling Sdn Bhd	31.05.2005/ Malaysia	1,000,000	100	Piling and foundation works
Sunway Construction Caribbean Limited	19.10.2004/ Trinidad and Tobago	IDR23,343,332	100	Construction of civil and building works
Sunway Precast Industries Sdn Bhd	04.01.1992/ Malaysia	3,063,631	100	Manufacturing precast concrete building components, undertaking of precast concrete building contracts and renting of machinery
Sun-Block (Batang Kali) Sdn Bhd	15.01.1998/ Malaysia	100	100	Dormant
Sunway IBS Sdn Bhd	25.07.2003/ Malaysia	10	70	Dormant
Sunway Construction (S) Pte Ltd	24.12.1994/ Singapore	SGD2	100	Dormant
<b>Subsidiary of Sunway Industrial Products Sdn Bhd</b>				
Sunway Concrete Products (S) Pte Ltd	16.12.1994/ Singapore	SGD12,000,000	100	Manufacturing and sale of precast concrete building components
<b>Subsidiaries of Sunway Creative Stones Sdn Bhd</b>				
Sunway Dimension Stones Sdn Bhd	17.04.2000/ Malaysia	100,000	70	Cutting, profiling and other value-added works on granites, marbles and related natural stones materials

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Creative Stones (Xiamen) Co.Ltd	12.03.2007/ China	USD200,000	70	Trading of construction materials and general contract works
<b>Subsidiary of Sunway Concrete Products (S) Pte Ltd</b>				
Sunway Developments Pte Ltd	08.07.2004/ Singapore	SGD2	100	Other investment holding companies and general contractors (building construction including major upgrading works)
<b>Subsidiary of Sunway Developments Pte Ltd</b>				
Sunway Land Pte Ltd	16.11.2010/ Singapore	SGD1,000,000	100	Real estate developers and building contractor NEC
<b>Subsidiaries of Sunway Machineries Services Sdn Bhd</b>				
Sunway PMI-Pile Construction Sdn Bhd	25.06.1986/ Malaysia	26,193,040	98	Dormant
Sunway SK Sdn Bhd	11.01.1997/ Malaysia	111,800	100	Construction of building and civil works
<b>Subsidiary of Sunway Engineering Sdn Bhd</b>				
Sunway Smartek Sdn Bhd	03.10.2006/ Malaysia	2	100	Dormant
<b>Subsidiary of Sunway Geotechnics (M) Sdn Bhd</b>				
Sunway Geotechnics (S) Pte Ltd	05.11.2009/ Singapore	SGD25,000	100	Providing geotechnical services and related products
<b>Subsidiaries of SunwayMas Sdn Bhd</b>				
Sunway Bangi Sdn Bhd	23.04.1991/ Malaysia	250,000	100	Property development
Mujurmas Sdn Bhd	26.10.1990/ Malaysia	750,000	100	Dormant
Pembangunan Risjaya Sdn Bhd	04.03.1993/ Malaysia	250,000	100	Property development
Sunway Rawang Heights Sdn Bhd	24.10.1986/ Malaysia	4,455,700	100	Property development
Sunway Kanching Heights Sdn Bhd	30.09.1981/ Malaysia	2,036,050	100	Property development
Eaglefield Sdn Bhd	23.09.1989/ Malaysia	252,000	100	Dormant
Sunway Rydge way Sdn Bhd	30.04.2007/ Malaysia	5,000,000	80	Property and housing development
Sunway Termuning Sdn Bhd	14.04.2004/ Malaysia	6,749,931	80	Property and housing development

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Virgo Rhythm Sdn Bhd	17.07.2007/ Malaysia	2	100	Property and housing development
Sunway Eastwood Sdn Bhd	12.11.2007/ Malaysia	1,070,000	70	Property and housing development
Sunway PJ51A Sdn Bhd	21.05.1984/ Malaysia	1,500,000	100	Dormant
Geneba Dua Sdn Bhd	17.03.1997/ Malaysia	2	100	Dormant
Daksina Harta Sdn Bhd	21.09.2010/ Malaysia	2	100	Dormant
<b>Subsidiary of Sunway Quarry Industries Sdn Bhd</b>				
Sunway Quarry Industries (Taiping) Sdn Bhd	16.07.2003/ Malaysia	427,000	100	Quarry operation
<b>Subsidiaries of Sunway Marketing Sdn Bhd</b>				
Sunway Marketing (East Malaysia) Sdn Bhd	31.07.1995/ Malaysia	1,000,000	85	Trading in hoses and fittings and industrial products
Sunway Hose Centre Sdn Bhd	12.07.1995/ Malaysia	100,000	85	Trading in hoses and fittings and hose assembly
Sunway Architectural Products Sdn Bhd	24.10.1985/ Malaysia	200,000	85	Trading in architectural and finishing products
Sunway Opus International Trading Private limited	09.08.2010/ India	INR10,00,000	60	To undertake business of import, marketing and sale of architectural and finishing products
Sunway Pharma Sdn Bhd	11.01.2008/ Malaysia	2	100	Dormant
Sunway Enterprise (1988) Sdn Bhd	25.09.1980/ Malaysia	4,037,500	100	Trading and hiring of heavy machinery and spares
Sunway Hydraulic Industries Sdn Bhd	23.06.1983/ Malaysia	1,500,000	100	Importation and trading of hydraulic fittings
<b>Subsidiaries of Sunway Marketing (S) Pte Ltd</b>				
PT Sunway Marketing Indonesia	07.09.2001/ Indonesia	USD100,000	100	Dormant
Sunway Marketing (Shanghai) Pte Ltd	26.09.2003/ China	USD260,000	100	Dormant
PT Sunway Trek Masindo	06.10.2003/ Indonesia	USD1,500,000	100	Trading in hose and fittings, hose assembly and heavy equipment parts
Sunway Marketing (Thailand) Ltd	06.09.1990/ Thailand	THB105,000,000	100	Trading in hose and fittings, hose assembly and heavy equipment parts

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Totalrubber Ltd	19.12.2002/ Australia	AUD5,805,159	100	Import and distribution of industrial rubber and plastics
PT Sunway Flowtech	30.04.2010/ Indonesia	USD500,000	100	Trading in hoses and fittings and hose assembly
PT Sunway Pacific Flow	31.03.13/ Indonesia	USD500,000	100	Manufacturing of specialty hoses
<b>Subsidiaries of Sunway Leasing Sdn Bhd</b>				
SWL Nominees (Tempatan) Sdn Bhd	28.05.1996/ Malaysia	2	100	Provision of shares nominee services
<b>Subsidiaries of Sunway Holdings (Vietnam) Sdn Bhd</b>				
Sunway Hatay Construction & Building Materials JV Co Ltd	11.04.1995/ Vietnam	USD5,959,286	86	Quarrying and manufacturing of ready-mixed concrete
Sungei Way Ocean Joint Venture Ltd	15.01.1997/ Vietnam	USD2,527,776	70	Quarrying and production of building stones
Realty Investments (HB) Inc	01.07.1994/ Panama	USD20,000	100	Investment holding
<b>Subsidiary of Realty Investments (HB) Inc</b>				
Hang Bai Office Complex JVC	17.03.1995/ Vietnam	USD3,030,000	74	Dormant
<b>Subsidiary of Sunway VCP Sdn Bhd (formerly known as Sunway Keramo Sdn Bhd)</b>				
Sunway Pipe Inspection and Repair Services Centre Sdn Bhd	23.05.2003/ Malaysia	2	100	Striking off pursuant to Section 308 of the Act
<b>Subsidiaries of Sunway Paving Solutions Sdn Bhd</b>				
Sun-Block (Senai) Sdn Bhd	07.04.1977/ Malaysia	2,000,000	100	In members' voluntary liquidation
Sun-Block (Beranang) Sdn Bhd	20.11.1992/ Malaysia	3,850,000	100	In members' voluntary liquidation
<b>Subsidiary of ABS Land &amp; Properties Berhad</b>				
Coral-White Sdn Bhd	09.11.1991/ Malaysia	5,000,000	100	In creditors' voluntary liquidation
<b>Subsidiaries of Sunway Global Limited</b>				
Sunway Building Materials (Shanghai) Co Ltd	01.08.2005/ China	USD2,350,000	98.75	Manufacturing, sale and marketing of interlocking pavers
Sunway Building Materials (Dongguan) Co Ltd	29.07.2005/ China	USD8,550,000	98.75	Manufacturing, sale and marketing of interlocking pavers

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
Sunway Spun Pile (Zhuhai) Co Ltd	13.02.2006/ China	CNY75,000,000	79	Design, manufacture and sale of pretensioned spun concrete piles
Sunway GD Foundation Engineering Co Ltd	04.11.2005/ Macau	MOP31,000,000	59.25	To carry out foundation and construction works
Sunway Xin Long (Anhui) Hydraulic Co Ltd	23.08.2006/ China	CNY27,000,000	77.03	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading
Sunway Trading (Shanghai) Pte Ltd	31.08.2006/ China	USD1,600,000	98.75	Trading and distribution of hoses and couplings, machineries, spare parts and related items
Sunway Daechang Forging (Anhui) Co Ltd	20.11.2007/ China	CNY21,000,000	59.25	Manufacturing and assembling of undercarriage components, trading, providing design, consultancy services, repair and maintenance
<b>Subsidiary of Sunway Enterprise (1988) Sdn Bhd</b>				
PT Sunway Indoquip	31.05.12/ Indonesia	USD500,000	100	Trading and hiring of heavy machinery spares
Heng Ngai Knitting Manufacturer Sdn Bhd	19.05.1979/ Malaysia	29,403	100	In members' voluntary liquidation
<b>Subsidiaries of Sunway GD Foundation Engineering Co Ltd</b>				
Shanghai Xinhetai Construction Ltd	16.08.2006/ China	USD1,800,000	41.47	To undertake the business of foundation engineering
Splendid Era Sdn Bhd	19.11.1993/ Malaysia	300,000	59.25	To carry out foundation and construction works and renting of machineries
Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co Ltd	24.11.2008/ China	CNY25,940,000	59.25	Providing technical and consultancy advisory for engineering works and to undertake engineering works through contracting construction projects
PT Sunway Construction Engineering	15.04.2008/ Indonesia	IDR3,000,000,000	32.58	To carry out foundation and construction works

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Subsidiary of Shanghai Xinhetai Construction Ltd</b>				
Shanghai Sunway Geotechnics Engineering Co Ltd	09.05.2008/ China	CNY500,000	41.47	Undertake geotechnic and foundation engineering through contracting construction projects, installation, leasing and renting of machineries and equipment, marketing and distribution of building materials related products
<b>Subsidiaries of Totalrubber Ltd</b>				
Total Rubber Services Franchising Pty Ltd	20.06.1989/ Australia	AUD100	100	Franchisor for TOTALRUBBER franchising business
Pacific Flow Technology Pty Ltd	15.03.2002/ Australia	AUD100	80	Manufacturing and sales of rubber hose products
SunwayTrek Australia Pty Ltd	02.07.2012/ Australia	AUD100,000	100	Importer and distributor of heavy equipment parts
<b>Subsidiary of Sunway Trading (Shanghai) Pte Ltd</b>				
Sunway International Trading (Tianjin) Pte Ltd	06.05.2010/ China	CNY1,000,000	98.75	Trading in hoses and fittings and providing technical consultancy advisory services
<b>Subsidiary of Sunway Real Estate (China) Limited</b>				
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd	04.12.2006/ China	CNY200,000,000	65	Property development

**Note:**

# We have adopted IC interpretation 112 'Consolidation Special Purpose Entities' ("IC112"), which led to the consolidation of ABS Land & Properties Berhad, an entity which is in substance controlled by us.

Our jointly controlled entities as at LPD are as follows:

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Jointly controlled entities of SCSB</b>				
Sunway SPK Homes Sdn Bhd	24.06.2002/ Malaysia	1,000,000	50	Property development
Sunway Iskandar Sdn Bhd	17.10.2011/ Malaysia	8,149,050	45.50	Property development
<b>Jointly controlled entity of Sunway Marketing Sdn Bhd</b>				
Sunway Daechang Forging Investment Limited	03.11.2008/ Hong Kong	HKD10	50	Investment holding

## INFORMATION ON OUR COMPANY (Cont'd)

Name of company	Date/Country of incorporation	Issued and paid-up share capital (RM unless otherwise stated)	Effective equity interest held %	Principal activities
<b>Jointly controlled entity of Sunway City (S'pore) Pte Ltd</b>				
Sunway Opus International Private Limited	08.08.2007/ India	INR200,000,010	50	Property development
Tianjin Eco-City Sunway Property Development Co Ltd	17.12.2010/ China	CNY47,250,000	60	Property development
<b>Jointly controlled entity of Sunway Concrete Products (S) Pte Ltd</b>				
Hoi Hup Sunway Development Pte Ltd	11.06.2007/ Singapore	SGD1,000,000	30	Real estate development
<b>Jointly controlled entities of Sunway Developments Pte Ltd</b>				
Hoi Hup Sunway JV Pte Ltd	25.08.2008/ Singapore	SGD1,000,000	30	Real estate development
Hoi Hup Sunway Property Pte Ltd	09.06.2009/ Singapore	SGD1,000,000	30	Real estate activities with own or leased property
Hoi Hup Sunway Miltonia Pte Ltd	30.08.2010/ Singapore	SGD1,000,000	30	Real estate developer
Hoi Hup Sunway Tampines Pte Ltd	03.12.2010/ Singapore	SGD1,000,000	30	Real estate developer
Hoi Hup Sunway Yuan Ching Pte Ltd	15.01.2011/ Singapore	SGD1,000,000	30	Real estate developer
Hoi Hup Sunway Pasir Ris Pte Ltd	12.10.2011/ Singapore	SGD1,000,000	30	Real estate developer
Hoi Hup Sunway Novena Pte Ltd	07.12.2012/ Singapore	SGD1,000,000	30	Real estate developer
<b>Unincorporated joint venture of Sunway</b>				
SunCity Fawanis Joint Venture	Unincorporated	-	100	Property development
SunCity Medallion Joint Venture	Unincorporated	-	50	Property development
SunCity SunCon Joint Venture	Unincorporated	-	50	Property development
SunCon Central Glass Joint Venture	Unincorporated	-	70	Completion of curtain walling works
SunGeo-Awangsa Joint Venture	Unincorporated	-	50.80	Piling and sub-structure works
Silver Coast-Sunway Innopave Joint Venture	Unincorporated	-	60	Construction works
ISZL Consortium	Unincorporated	-	25	Construction
Fableplus Sdn Bhd-Sunway Engineering Joint Venture	Unincorporated	-	30	Provision of mechanical and engineering works

**INFORMATION ON OUR COMPANY (Cont'd)**

Our associated companies as at LPD are as follows:

<b>Name of company</b>	<b>Date/Country of incorporation</b>	<b>Issued and paid-up share capital (RM unless otherwise stated)</b>	<b>Effective equity interest held %</b>	<b>Principal activities</b>
Aktif-Sunway Sdn Bhd	25.06.1996/ Malaysia	10,000,000	20	In members' voluntary liquidation
Sungei Way-Saigon-Pilecon Engineering Company	01.09.1994/ Vietnam	USD3,210,420	42	Dormant
<b>Associate of Sunway REIT Holdings Sdn Bhd</b>				
Sunway Real Estate Investment Trust	20 May 2010/ Malaysia	2,919,423,400 units	34.41	Investment in real estate
<b>Associate of Sunway Damansara Sdn Bhd</b>				
Sunway D'Mont Kiara Sdn Bhd	21.09.2001/ Malaysia	250,000	88	Property development
<b>Associate of Sunway Leisure Sdn Bhd</b>				
Pyramid Bowl Sdn Bhd	09.08.1996/ Malaysia	2,036,830	40	Bowling alley operator
<b>Associate of Sunway City (S'pore) Pte Ltd</b>				
Sunway MAK International Private Limited	18.12.2007/ India	INR190,100,000	26.32	Property development
<b>Associate of Fortuna Gembira Enterpris Sdn Bhd</b>				
Gopeng Berhad	09.11.1983/ Malaysia	89,664,491	19	Cultivation of oil palm, investment holding and property development
<b>Associate of SunwayMas Sdn Bhd</b>				
Varich Industries Sdn Bhd	02.11.1992/ Malaysia	2	50	Dormant
<b>Associate of Sunway Marketing Sdn Bhd</b>				
Buildtrend B.S.G. (M) Sdn Bhd	13.03.1981/ Malaysia	2,500,000	30	Distribution of architectural building products and sanitary wares



## INFORMATION ON OUR COMPANY (Cont'd)

## 6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on our audited consolidated financial statements for the FYE 31 December 2010, 31 December 2011 and 31 December 2012 and the 3-month unaudited consolidated financial statements for the FPE 31 March 2013 are summarised as follows:

	Audited FYE 31 December			Unaudited 3-month FPE
	2010	2011	2012	31 March 2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	3,102,129	3,691,712	3,849,215	1,021,032
Gross profit	1,032,422	1,061,697	1,268,122	292,843
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	869,084	642,653	895,953	158,407
Other income	309,971	193,292	220,297	11,797
Finance cost	(101,131)	(80,943)	(99,557)	(22,172)
Profit before taxation	715,949	498,533	722,942	122,521
Taxation	277,710	(69,560)	(125,382)	(26,342)
Profit after taxation	993,659	428,973	597,560	96,179
Profit attributable to owners of the parent	684,424	387,555	530,625	90,555
Profit attributable to non-controlling interests	309,235	41,418	66,935	5,624
Share of profits of associates and jointly controlled entities	199,332	185,638	296,294	47,871
Gross profit margin (%)	33.28%	28.76%	32.94%	28.68%
Weighted average number of Sunway Shares in issue ('000)	-	1,292,505	1,292,505	1,292,505
Basic EPS (sen)	52.95	29.98	41.05	7.01
Diluted EPS (sen)	52.95	29.98	41.05	7.01
Gross dividend per Sunway Share (sen)	-	-	6.00	-

## Commentary on past performance

## (i) FYE 31 December 2010

We reported approximately 12.1% increase in revenue to approximately RM3,102.1 million from approximately RM2,766.9 million for the annualised corresponding period in the preceding year. The increase in revenue was mainly contributed by higher revenue recorded from our precast operations in Singapore, our mechanical and engineering project in Abu Dhabi, and from our trading and manufacturing businesses resulting from our expansion overseas. The hospitality, leisure and healthcare businesses had also recorded higher revenue driven by higher occupancy rates and average room rates, higher number of visitors and increase in entrance fees to Sunway Lagoon and the expansion of capacity of Sunway Medical Centre.

Our profit before taxation decreased by 16.7% to approximately RM715.9 million from approximately RM859.6 million for the annualised corresponding period in the preceding year which was mainly contributed by the decrease in other operating income. Our other income had decreased mainly due to a one-off fair value gain in respect of revaluation of our Group's investment properties of approximately RM734.0 million which was recognised in the previous 18-month period ended 31 December 2009.

**INFORMATION ON OUR COMPANY (Cont'd)****(ii) FYE 31 December 2011**

We reported approximately 19.0% growth in revenue to approximately RM3,691.7 million from approximately RM3,102.1 million in the preceding year, mainly attributable to higher property sales, improved construction revenue and stronger trading and manufacturing turnover. However, profit before taxation fell approximately 30.4% from approximately RM715.9 million to approximately RM 498.5 million in FYE 31 December 2011, mainly due to the one-off net gain of approximately RM249.6 million on disposal of properties to Sunway REIT in the preceding year.

**(iii) FYE 31 December 2012**

We reported approximately 4.3% growth in revenue to approximately RM3,849.2 million from approximately RM3,691.7 million largely contributed by higher rental income from the property investment assets and full year revenue contribution from Sunway Putra Hotel which was acquired late in 2011. Progress billing from ongoing local construction projects was also higher for the FYE 31 December 2012.

There was approximately 45.0% growth in profit before taxation to RM722.9 million from RM498.5 million in the preceding year. This was mainly due to the one-off gains of RM97.8 million from the disposal of a property asset and RM100.7 million fair value gains in respect of revaluation of our associate's investment properties and our investment properties.

Excluding the one-off gains, the core profit before taxation was 17.7% higher compared with the preceding year despite lower profitability in our property investment segment due to higher interest cost incurred and provisions of doubtful debts made. This was mainly attributable to stronger profit recognition from property projects in Malaysia and higher profit contribution from our property developments in Singapore.

**(iv) 3-month FPE 31 March 2012**

We reported a 25.3% increase in revenue to RM1,021.0 million compared with RM814.8 million in the corresponding quarter of FYE 31 December 2012. The higher current quarter revenue was mainly due to higher property sales and construction revenue.

Profit before taxation also rose by 44.3% to RM122.5 million from RM84.9 million for the corresponding quarter of FYE 31 December 2012, mainly driven by higher profit contribution from the on-going property development projects in Malaysia and Singapore and strong contribution from the construction division which recorded good progress at its various infrastructure and building jobs and higher precast sales.

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INFORMATION ON OUR COMPANY (*Cont'd*)

## 7. HISTORICAL SHARE PRICE

The following table sets out the monthly highest and lowest prices of our Shares as traded on Bursa Securities for the past 12 months from July 2012 to June 2013:

Month	Highest (RM)	Lowest (RM)
<b>2012</b>		
July	2.32	2.24
August	2.27	2.18
September	2.30	2.17
October	2.68	2.25
November	2.40	2.26
December	2.38	2.26
<b>2013</b>		
January	2.45	2.25
February	2.57	2.35
March	3.00	2.52
April	3.16	2.86
May	4.16	2.83
June	4.01	3.34

Last transacted market price on 4 April 2013

*(being the last Market Day prior to the announcement of, inter-alia, the Rights Issue on 5 April 2013)*

3.06

Last transacted market price as at LPD

3.61

Last transacted market price prior to the ex-date for the Rights Issue of 11 July 2013

3.58

*(Source: Bloomberg)*

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**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON**



**Ernst & Young**

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**REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF SUNWAY BERHAD AS AT 31 DECEMBER 2012**  
(Prepared for inclusion in the Abridged Prospectus to be dated 15 July 2013)

1 July 2013

The Board of Directors  
Sunway Berhad  
Level 16 Menara Sunway  
Jalan Lagoon Timur  
Bandar Sunway  
46150 Petaling Jaya

Dear Sirs

**SUNWAY BERHAD ("SUNWAY" OR THE "COMPANY")  
PRO FORMA FINANCIAL INFORMATION**

**RENOUNCEABLE RIGHTS ISSUE OF UP TO 568,702,201 NEW ORDINARY SHARES OF RM1.00 EACH IN SUNWAY BERHAD ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.70 ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY THREE EXISTING ORDINARY SHARES OF RM1.00 EACH IN SUNWAY HELD BY THE SHAREHOLDERS ON 15 JULY 2013 ("RIGHTS ISSUE"); AND**

**ESTABLISHMENT OF AN EMPLOYEES' SHARE OPTION SCHEME FOR THE ELIGIBLE EXECUTIVE DIRECTORS AND EMPLOYEES OF SUNWAY AND ITS SUBSIDIARIES (EXCLUDING DORMANT SUBSIDIARIES) ("ESOS")**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Sunway prepared by the Directors of the Company. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 31 December 2012 as set out in Appendix III of the Abridged Prospectus to be dated 15 July 2013 in connection with the Rights Issue.

The pro forma financial information has been compiled by the Directors based on the requirements as specified in the Prospectus Guidelines - Abridged Prospectus issued by Securities Commission Malaysia ("Securities Commission") and notes to the pro forma consolidated statement of financial position of the Company as at 31 December 2012 as set out in Appendix III of the Abridged Prospectus ("Applicable Criteria").

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

The pro forma financial information has been compiled by the Directors to illustrate the impact of the events or transactions set out in the Applicable Criteria.

As part of this process, information about the financial position has been extracted by the Directors from the financial statements of the Company for the year ended 31 December 2012, on which an audit report has been published.

**The Directors' Responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

**Our Responsibilities**

Our responsibility is to express an opinion as required by the Securities Commission, about whether the pro forma financial information has been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have properly compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

The purpose of pro forma financial information included in an abridged prospectus is solely to illustrate the impact of a significant event or transaction on financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

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

**Opinion**

In our opinion:

- (i) the pro forma financial information of Sunway, which have been prepared by the Directors of the Company, have been properly compiled on the basis of the Applicable Criteria using financial statements prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Company; and
- (ii) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purposes of preparing the pro forma financial information.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)****Other Matters**

This letter is issued for the sole purpose of complying with the the Prospectus Guidelines - Abridged Prospectus issued by the Securities Commission in connection with the Rights Issue and the ESOS. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Rights Issue and the ESOS described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Rights Issue and the ESOS.

Yours faithfully

A handwritten signature in black ink, appearing to be 'EY' followed by a stylized flourish.

Ernst & Young  
AF: 0039  
Chartered Accountants

A handwritten signature in black ink, consisting of a large, stylized 'K' followed by a smaller 'C' and a flourish.

Kua Choo Kai  
2030/03/14(J)  
Chartered Accountant

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

**ERNST & YOUNG** (AF: 0039)

Chartered Accountants, Kuala Lumpur  
For identification purposes only

Sunway Berhad  
Pro forma consolidated statement of financial position as at 31 December 2012  
Minimum Scenario

	Audited statement of financial position of Sunway Berhad 31 December 2012	Proforma adjustment 1	Proforma 1 Exercise of warrants up to 2.5.2013	Proforma adjustment 2	Proforma 2 Exercise of the Rights Shares by TSJC Group	Proforma adjustment 3	Proforma 3 Exercise of the ESOS options
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	804,698	-	804,698	-	804,698	-	804,698
Biological assets	613	-	613	-	613	-	613
Investment properties	1,242,519	-	1,242,519	-	1,242,519	-	1,242,519
Rock reserves	7,444	-	7,444	-	7,444	-	7,444
Interest in associates	1,023,761	-	1,023,761	-	1,023,761	-	1,023,761
Other investments	1,802	-	1,802	-	1,802	-	1,802
Interest in jointly controlled entities	516,452	-	516,452	-	516,452	-	516,452
Receivables	3,899	-	3,899	-	3,899	-	3,899
Land held for property development	598,912	-	598,912	-	598,912	-	598,912
Goodwill	318,077	-	318,077	-	318,077	-	318,077
Deferred tax assets	33,718	-	33,718	-	33,718	-	33,718
Derivative assets	2,058	-	2,058	-	2,058	-	2,058
<b>Total non-current assets</b>	<b>4,553,953</b>		<b>4,553,953</b>		<b>4,553,953</b>		<b>4,553,953</b>
<b>Current assets</b>							
Property development costs	991,529	-	991,529	-	991,529	-	991,529
Inventories and completed development properties	650,308	-	650,308	-	650,308	-	650,308
Tax recoverable	47,827	-	47,827	-	47,827	-	47,827
Receivables	1,580,967	-	1,580,967	-	1,580,967	-	1,580,967
Deposits, cash and bank balances	1,158,890	28	1,158,918	246,016	1,404,934	439,144	1,844,078
<b>Total current assets</b>	<b>4,429,521</b>		<b>4,429,549</b>		<b>4,675,565</b>		<b>5,114,709</b>
<b>Total assets</b>	<b>8,983,474</b>		<b>8,983,502</b>		<b>9,229,518</b>		<b>9,668,662</b>
<b>Equity and liabilities</b>							
<b>Equity attributable to equity holders of the Company</b>							
Share capital	1,292,505	10	1,292,515	221,774	1,514,289	151,429	1,665,718
Share premium	2,326,509	18	2,326,527	155,242	2,481,769	411,887	2,893,656
Equity contribution from non-controlling interests	51,654	-	51,654	-	51,654	-	51,654
Negative merger reserve	(1,192,040)	-	(1,192,040)	-	(1,192,040)	-	(1,192,040)
Share option reserve	3,170	-	3,170	-	3,170	-	3,170
Statutory reserve	879	-	879	-	879	-	879
Other reserves	159,589	-	159,589	-	159,589	-	159,589
Retained profits	934,375	-	934,375	(1,000)	933,375	(124,172)	809,203
<b>Shareholders' equity</b>	<b>3,576,641</b>		<b>3,576,669</b>		<b>3,952,685</b>		<b>4,391,829</b>
<b>Minority interest</b>	<b>380,862</b>		<b>380,862</b>		<b>380,862</b>		<b>380,862</b>
<b>Total equity</b>	<b>3,957,503</b>		<b>3,957,531</b>		<b>4,333,547</b>		<b>4,772,691</b>
<b>Current liabilities</b>							
Payables	1,771,850	-	1,771,850	-	1,771,850	-	1,771,850
Borrowings	1,773,155	-	1,773,155	-	1,773,155	-	1,773,155
Current tax liabilities	31,015	-	31,015	-	31,015	-	31,015
Derivative liabilities	197	-	197	-	197	-	197
	3,576,217		3,576,217		3,576,217		3,576,217
<b>Non current liabilities</b>							
Borrowings	983,279	-	983,279	(130,000)	853,279	-	853,279
Long term liabilities	21,953	-	21,953	-	21,953	-	21,953
Other payables	260,451	-	260,451	-	260,451	-	260,451
Advances by minority s/h of subsidiaries	130,033	-	130,033	-	130,033	-	130,033
Derivative liabilities	792	-	792	-	792	-	792
Deferred tax liabilities	53,246	-	53,246	-	53,246	-	53,246
	1,449,754		1,449,754		1,319,754		1,319,754
<b>Total liabilities</b>	<b>5,025,971</b>		<b>5,025,971</b>		<b>4,895,971</b>		<b>4,895,971</b>
<b>Total equity and liabilities</b>	<b>8,983,474</b>		<b>8,983,502</b>		<b>9,229,518</b>		<b>9,668,662</b>



**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**

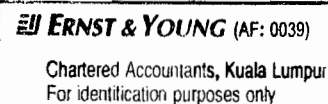
**ERNST & YOUNG (AF: 0039)**

Chartered Accountants, Kuala Lumpur  
For identification purposes only

Sunway Berhad  
Pro forma consolidated statement of financial position as at 31 December 2012  
Maximum Scenario

Audited statement of financial position of Sunway Berhad 31 December 2012	Proforma adjustment 1	Proforma 1 Exercise of warrants to 2.5.2013	Proforma adjustment 2	Proforma 2 Exercise of remaining warrants	Proforma adjustment 3	Proforma 3 Exercise of the ESOS options	Proforma adjustment 4	Proforma 4 Exercise of the Rights Shares	
									RM'000
<b>Assets</b>									
<b>Non-current assets</b>									
Property, plant and equipment	804,698	-	804,698	-	804,698	-	804,698	-	804,698
Biological assets	613	-	613	-	613	-	613	-	613
Investment properties	1,242,519	-	1,242,519	-	1,242,519	-	1,242,519	-	1,242,519
Rock reserves	7,444	-	7,444	-	7,444	-	7,444	-	7,444
Interest in associates	1,023,761	-	1,023,761	-	1,023,761	-	1,023,761	-	1,023,761
Other investments	1,802	-	1,802	-	1,802	-	1,802	-	1,802
Interest in jointly controlled entities	516,452	-	516,452	-	516,452	-	516,452	-	516,452
Receivables	3,899	-	3,899	-	3,899	-	3,899	-	3,899
Land held for property development	598,912	-	598,912	-	598,912	-	598,912	-	598,912
Goodwill	318,077	-	318,077	-	318,077	-	318,077	-	318,077
Deferred tax assets	33,718	-	33,718	-	33,718	-	33,718	-	33,718
Derivative assets	2,058	-	2,058	-	2,058	-	2,058	-	2,058
<b>Total non-current assets</b>	<b>4,553,953</b>		<b>4,553,953</b>		<b>4,553,953</b>		<b>4,553,953</b>		<b>4,553,953</b>
<b>Current assets</b>									
Property development costs	991,529	-	991,529	-	991,529	-	991,529	-	991,529
Inventories and completed development properties	650,308	-	650,308	-	650,308	-	650,308	-	650,308
Tax recoverable	47,827	-	47,827	-	47,827	-	47,827	-	47,827
Receivables	1,580,967	-	1,580,967	-	1,580,967	-	1,580,967	-	1,580,967
Deposits, cash and bank balances	1,158,890	28	1,158,918	723,775	1,882,693	521,138	2,403,831	665,794	3,069,625
<b>Total current assets</b>	<b>4,429,521</b>		<b>4,429,549</b>		<b>5,153,324</b>		<b>5,674,462</b>		<b>6,340,256</b>
<b>Total assets</b>	<b>8,983,474</b>		<b>8,983,502</b>		<b>9,707,277</b>		<b>10,228,415</b>		<b>10,894,209</b>
<b>Equity and liabilities</b>									
<b>Equity attributable to equity holders of the Company</b>									
Share capital	1,292,505	10	1,292,515	258,491	1,551,006	155,101	1,706,107	568,702	2,274,809
Share premium	2,326,509	18	2,326,527	465,284	2,791,811	513,383	3,305,194	398,092	3,703,286
Equity contribution from non-controlling interests	51,654	-	51,654	-	51,654	-	51,654	-	51,654
Negative merger reserve	(1,192,040)	-	(1,192,040)	-	(1,192,040)	-	(1,192,040)	-	(1,192,040)
Share option reserve	3,170	-	3,170	-	3,170	-	3,170	-	3,170
Statutory reserve	879	-	879	-	879	-	879	-	879
Other reserves	159,589	-	159,589	-	159,589	-	159,589	-	159,589
Retained profits	934,375	-	934,375	-	934,375	(147,346)	787,029	(1,000)	786,029
<b>Shareholders' equity</b>	<b>3,576,641</b>		<b>3,576,669</b>		<b>4,300,444</b>		<b>4,821,582</b>		<b>5,787,376</b>
Minority interest	380,862	-	380,862	-	380,862	-	380,862	-	380,862
<b>Total equity</b>	<b>3,957,503</b>		<b>3,957,531</b>		<b>4,681,306</b>		<b>5,202,444</b>		<b>6,168,238</b>
<b>Current liabilities</b>									
Payables	1,771,850	-	1,771,850	-	1,771,850	-	1,771,850	-	1,771,850
Borrowings	1,773,155	-	1,773,155	-	1,773,155	-	1,773,155	-	1,773,155
Current tax liabilities	31,015	-	31,015	-	31,015	-	31,015	-	31,015
Derivative liabilities	197	-	197	-	197	-	197	-	197
<b>Total current liabilities</b>	<b>3,576,217</b>		<b>3,576,217</b>		<b>3,576,217</b>		<b>3,576,217</b>		<b>3,576,217</b>
<b>Non current liabilities</b>									
Borrowings	983,279	-	983,279	-	983,279	-	983,279	(300,000)	683,279
Long term liabilities	21,953	-	21,953	-	21,953	-	21,953	-	21,953
Other payables	260,451	-	260,451	-	260,451	-	260,451	-	260,451
Advances by minority s/h of subsidiaries	130,033	-	130,033	-	130,033	-	130,033	-	130,033
Derivative liabilities	792	-	792	-	792	-	792	-	792
Deferred tax liabilities	53,246	-	53,246	-	53,246	-	53,246	-	53,246
<b>Total non current liabilities</b>	<b>1,449,754</b>		<b>1,449,754</b>		<b>1,449,754</b>		<b>1,449,754</b>		<b>1,149,754</b>
<b>Total liabilities</b>	<b>5,025,971</b>		<b>5,025,971</b>		<b>5,025,971</b>		<b>5,025,971</b>		<b>4,725,971</b>
<b>Total equity and liabilities</b>	<b>8,983,474</b>		<b>8,983,502</b>		<b>9,707,277</b>		<b>10,228,415</b>		<b>10,894,209</b>

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**



**SUNWAY BERHAD (the "COMPANY")**

**NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**1. Basis of preparation**

The Pro forma Consolidated Statement of Financial Position has been prepared by the Directors of the Company for illustrative purposes, based on the audited consolidated statement of financial position as at 31 December 2012 of the Company prepared in accordance with Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Company in the preparation of the audited consolidated financial statements of the Company for the financial year ended 31 December 2012 to show the effects of the following:

- (a) Renounceable rights issue of up to 568,702,201 new ordinary shares of RM1.00 each in the Company ("Rights Shares") at an issue price of RM1.70 on the basis of one Rights Share for every three existing ordinary shares of RM1.00 each in the Company held by the shareholders on an entitlement date to be determined later ("Entitlement Date") ("Rights Issue"); and
- (b) Establishment of an employees' share option scheme ("ESOS") for the eligible executive directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries).

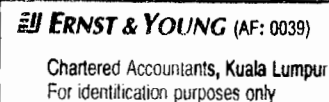
The pro forma effects of the Rights Issue and the ESOS have been illustrated based on the following assumptions:

Minimum Scenario

- (i) None of the outstanding Warrants 2011/2016 of Sunway ("Sunway Warrants") are exercised;
- (ii) Only TSJC Group# subscribes for the Rights Shares;
- (iii) The maximum number of ESOS options made available under the ESOS, being 10% of the then issued and paid-up share capital of the Company, are fully granted in a single tranche, and fully vested and exercised into ordinary shares of the Company; and
- (iv) The Rights Shares are allotted prior to the implementation of the ESOS.

# TSJC Group comprises the following persons and entities:

- Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO
- Sarena Cheah Yean Tih
- Evan Cheah Yean Shin
- Sungei Way Corporation Sdn. Bhd.
- Jef-San Enterprise Sdn. Bhd.
- Active Builder Sdn. Bhd.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)****SUNWAY BERHAD (the "COMPANY")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTD.)****1. Basis of preparation (Contd.)**Maximum Scenario

- (i) Outstanding Sunway Warrants are fully exercised prior to the implementation of the ESOS;
- (ii) The maximum number of ESOS options made available under the ESOS, being 10% of the then issued and paid-up share capital of the Company, are fully granted in a single tranche, and fully vested and exercised into ordinary shares of the Company;
- (iii) The ESOS options are allotted prior to the Entitlement Date; and
- (iv) All Rights Shares are subscribed in full by all the entitled shareholders on a pro-rata basis.

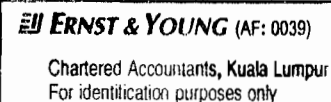
**2. Scenario 1 -Minimum Scenario****Pro forma 1**

Pro forma 1 incorporates the effects of the exercise of 10,028 of Sunway Warrants into ordinary shares of the Company between 1 January 2013 and 15 June 2013 at the exercise price of RM2.80 per warrant.

**Pro forma 2**

Pro forma 2 incorporates Pro forma 1 and the effects of the following:

- (a) The subscription by TSJC Group for the Rights Shares at the issue price of RM1.70 per Rights Share. The total number of TSJC Group's entitlement to the Rights Shares is 221,773,735;
- (b) The utilisation of RM130 million from the total proceeds raised from the Rights Issue to repay the borrowings of the Company; and
- (c) The settlement of estimated expenses relating to the Rights Issue and the ESOS of RM1 million by cash.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)****SUNWAY BERHAD (the "COMPANY")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTD.)****2. Scenario 1 -Minimum Scenario (contd.)****Pro forma 3**

Pro forma 3 incorporates Pro forma 2 and the exercise of all ESOS options made available under the ESOS. The number of ESOS options made available under the ESOS is 151,428,876, being 10% of the then issued and paid-up share capital of the Company. The ESOS options are fully granted in a single tranche and are fully vested and exercised into ordinary shares of the Company at the exercise price of RM2.90 per share, being an approximate 10% discount to the theoretical ex-rights price ("TERP") of RM3.22, which is based on the volume weighted average market price ("VWAP") of the Sunway shares for the past five market days up to and including 15 June 2013 of RM3.73.

Based on the indicative fair value of RM0.82 for each ESOS option, the estimated total fair value of the ESOS options is approximately RM124,172,000.

**3. Scenario 2: Maximum Scenario****Pro forma 1**

Pro forma 1 incorporates the effects of the exercise of 10,028 of Sunway Warrants into ordinary shares of the Company between 1 January 2013 and 15 June 2013 at the exercise price of RM2.80 per warrant.

**Pro forma 2**

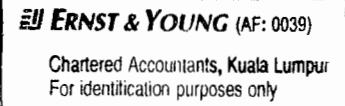
Pro forma 2 incorporates Pro forma 1 and the effects of the exercise of all outstanding Sunway Warrants totalling 258,490,972 as at 15 June 2013 into ordinary shares of the Company at the exercise price of RM2.80 per warrant.

**Pro forma 3**

Pro forma 3 incorporates Pro forma 2 and the exercise of all ESOS options made available under the ESOS. The number of ESOS options made available under the ESOS is 155,100,600, being 10% of the then issued and paid-up share capital of the Company. The ESOS options are fully granted in a single tranche and are fully vested and exercised into ordinary shares of the Company at the exercise price of RM3.36 per share, being an approximate 10% discount to the VWAP of the Sunway shares for the past five market days up to and including 15 June 2013 of RM3.73.

Based on the indicative fair value of RM0.95 for each ESOS option, the estimated total fair value of the ESOS options is approximately RM147,346,000.

**PROFORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF OUR COMPANY AS AT 31 DECEMBER 2012 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON (Cont'd)**



**SUNWAY BERHAD (the "COMPANY")  
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTD.)**

**3. Scenario 2: Maximum Scenario (contd.)**

**Pro forma 4**

Pro forma 4 incorporates Pro forma 3 and the effects of the following:

- (a) The subscription by all entitled shareholders for the Rights Shares at the issue price of RM1.70 per Rights Share. The total number of Rights Shares subscribed by all entitled shareholders is 568,702,201;
- (b) The utilisation of RM300 million from the total proceeds raised from the Rights Issue to repay the borrowings of the Company; and
- (c) The settlement of estimated expenses relating to the Rights Issue and the ESOS of RM1 million by cash.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31  
DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON**



Certified True Copy

  
.....  
Company Secretary  
CHIN LEE CHIN  
(MAICSA 7012347)  
Date: 18 JUN 2013

**SUNWAY BERHAD  
(921551-D)  
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial  
Statements  
31 December 2012**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****921551-D****Sunway Berhad  
(Incorporated in Malaysia)**

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Directors' report**

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

**Principal activities**

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 52 to the financial statements.

**Results**

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit net of tax	<u>597,560</u>	<u>97,425</u>
Profit attributable to:		
Owners of the parent	530,625	97,425
Non-controlling interests	<u>66,935</u>	<u>-</u>
	<u>597,560</u>	<u>97,425</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements. In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than the effects arising from the change in accounting policies due to adoption of Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets, as disclosed in Note 2.2 to the financial statements.

**Dividends**

No dividend has been paid by the Company since the end of the previous financial year.

On 28 February 2013, the Board of Directors declared an interim single tier dividend of 6% for each ordinary share of RM 1 each of the Company for the financial year ended 31 December 2012. The total dividend payable amounts to RM77,550,309. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2013.

The Board of Directors do not propose any final dividend for the financial year ended 31 December 2012.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31  
DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Directors**

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

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO  
Datuk Seri Razman M Hashim  
Dato' Chew Chee Kin  
Datuk Low Seng Kuan  
Wong Chin Mun  
Lim Swe Guan  
Sarena Cheah Yean Tih

In accordance with Article 107(1) of the Company's Articles of Association, Dato' Chew Chee Kin and Datuk Low Seng Kuan retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Datuk Seri Razman M Hashim, being over the age of seventy years, shall vacate office at the conclusion of the forthcoming Annual General Meeting in accordance with Section 129 of the Companies Act, 1965 ("the Act") and seeks re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting.

**Directors' benefits**

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the directors has a substantial financial interest, except as disclosed in Note 51 to the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Directors' interests**

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

	Number of ordinary shares of RM1 each			As at 31.12.2012
	As at 1.1.2012	Acquired	Sold	
<b>The Company</b>				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey				
Cheah Fook Ling, AO	54,363,105	-	-	54,363,105
Datuk Seri Razman M Hashim	792,032	-	-	792,032
Dato' Chew Chee Kin	2,402,619	-	-	2,402,619
Sarena Cheah Yean Tih	432,956	-	-	432,956
Wong Chin Mun	59,428	-	-	59,428
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey				
Cheah Fook Ling, AO	567,121,114 <sup>a</sup>	50,848,529	(32,411,540)	585,558,103 <sup>b</sup>
Dato' Chew Chee Kin	77,142 <sup>c</sup>	180,000	-	257,142 <sup>c</sup>
Sarena Cheah Yean Tih	620,951,237 <sup>d</sup>	50,848,529	(32,411,540)	639,388,226 <sup>e</sup>
Datuk Low Seng Kuan	37,170 <sup>f</sup>	-	-	37,170 <sup>f</sup>

	Number of ordinary shares of HKD1 each			As at 31.12.2012
	As at 1.1.2012	Acquired	Sold	

**Related corporation**

**Sunway Global Limited**

Direct interest:

Dato' Chew Chee Kin	869,684	-	-	869,684
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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Directors' interests (contd.)**

	Number of warrants 2011/2016			As at 31.12.2012
	As at 1.1.2012	Acquired	Sold	
<b>The Company</b>				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	9,940,556	-	-	9,940,556
Datuk Seri Razman M Hashim	120,405	-	-	120,405
Dato' Chew Chee Kin	480,523	187,700	-	668,223
Sarena Cheah Yean Tih	86,590	-	-	86,590
Datuk Low Seng Kuan	7,433	-	-	7,433
Wong Chin Mun	11,885	-	-	11,885
Deemed interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, AO	113,431,172 <sup>a</sup>	7,488,498	(7,497,245)	113,422,425 <sup>g</sup>
Dato' Chew Chee Kin	15,428 <sup>c</sup>	265,600	-	281,028 <sup>c</sup>
Sarena Cheah Yean Tih	123,265,133 <sup>d</sup>	7,488,498	(7,497,245)	123,256,386 <sup>h</sup>
Datuk Low Seng Kuan	7,433 <sup>f</sup>	-	-	7,433 <sup>f</sup>

**Options over ordinary shares of HKD 1 each**

	As at 1.1.2012	Granted	Exercised	As at 31.12.2012
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**Related corporation**

**Sunway Global Limited**

Direct interest:

Dato' Chew Chee Kin	14,215,770	-	-	14,215,770
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- a Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd. Jef-San Enterprise Sdn. Bhd., Active Equity Sdn. Bhd., Progressive Traders Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Timah Sini-Sana Sdn. Bhd., Sunway Holdings Sdn. Bhd., Sunway City Sdn. Bhd. and children.
- b Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd. Jef-San Enterprise Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.
- c Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse.
- d Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd. Active Equity Sdn. Bhd., Progressive Traders Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Timah Sini-Sana Sdn. Bhd., Sunway Holdings Sdn. Bhd., Sunway City Sdn. Bhd., spouse and parents.
- e Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Builder Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**Sunway Berhad  
(Incorporated in Malaysia)****Directors' interests (contd.)**

- f Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through spouse and children.
- g Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Jef-San Enterprise Sdn. Bhd., Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.
- h Deemed interest by virtue of Section 6A of the Companies Act, 1965 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parents.

By virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's and Sarena Cheah Yean Tih's substantial interests in the Company, they are deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

The other director in office at the end of the financial year did not have any interests in shares and warrants in the Company or its related corporations during the financial year.

**Issue of shares**

During the financial year, the Company did not issue any new ordinary shares.

**Warrants**

On 18 August 2011, the Company issued 258,501,000 free warrants on the basis of one (1) free warrant for every five (5) ordinary shares of RM1.00 each held in the Company.

The warrants entitle the registered holders, at any time within a period of 5 years commencing on and including the issue date and expiring on 17 August 2016, to subscribe for 1 new ordinary share of RM1.00 each in the Company at an exercise price of RM2.80 per ordinary share for every warrant held.

During the financial year, no warrants were exercised by the warrant holders.

**Other statutory information**

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****Other statutory information (contd.)**

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extents and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Significant events during the financial year**

Significant events during the financial year are disclosed in Note 56 to the financial statements.

**Significant events subsequent to reporting date**

Significant events subsequent to reporting date are disclosed in Note 57 to the financial statements.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad**  
**(Incorporated in Malaysia)**

**Auditors**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2013. •



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



Dato' Chew Chee Kin

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statement by directors**

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

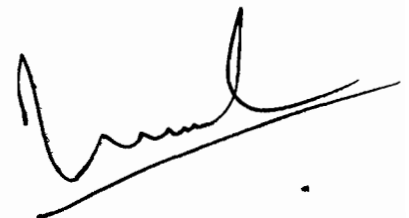
We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dato' Chew Chee Kin, being two of the directors of Sunway Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 12 to 188 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 59 on page 189 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 April 2013.



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



Dato' Chew Chee Kin

**Statutory declaration**

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

I, Chong Chang Choong, being the officer primarily responsible for the financial management of Sunway Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 189 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Chong Chang Choong  
at Petaling Jaya in the State of Selangor  
Darul Ehsan on 25 April 2013




Chong Chang Choong

Before me,

No. 9-3, Jalan PJS 8/4,  
Bandar Sunway, 46150  
Petaling Jaya, Selangor D.E.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Ernst & Young**  
AF : 0039  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia  
Mail address: P.O. Box 11040  
50734 Kuala Lumpur, Malaysia  
Tel: +603 7495 8000  
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+603 2095 9076  
+603 2095 9078  
www.ey.com

921551-D

**Independent auditors' report to the members of  
Sunway Berhad  
(Incorporated in Malaysia)**

**Report on the financial statements**

We have audited the financial statements of Sunway Berhad, which comprise the statements of financial position as at 31 December 2012 of the Group and of the Company, and the income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 12 to 188.

*Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Independent auditors' report to the members of Sunway Berhad (contd.)  
(Incorporated in Malaysia)***Auditors' responsibility (contd.)*

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

*Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

**Report on other legal and regulatory requirements**

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all subsidiaries of which we have not acted as auditors, which are indicated in Note 52 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**



**Independent auditors' report to the members of  
Sunway Berhad (contd.)  
(Incorporated in Malaysia)**

**Other reporting responsibilities**

The supplementary information set out in Note 59 on page 189 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

**Other matters**

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

A stylized, handwritten signature in black ink, likely representing an official from Ernst &amp; Young.

Ernst & Young  
AF: 0039  
Chartered Accountants

A handwritten signature in black ink, identifying Kua Choo Kai as the Chartered Accountant.

Kua Choo Kai  
No. 2030/03/14(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
25 April 2013

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Income statements  
For the financial year ended 31 December 2012**

	Note	Group		Company	
		2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
<b>Revenue</b>	4	3,849,215	3,691,712	181,427	33,546
Cost of sales	5	(2,581,093)	(2,630,015)	(56,244)	(18,207)
<b>Gross profit</b>		1,268,122	1,061,697	125,183	15,339
Other income	6	220,297	193,292	1,755	4,170
Administrative expenses		(457,139)	(447,251)	(4,870)	(7,130)
Selling and marketing expenses		(136,659)	(136,012)	-	-
Other expenses		(391,125)	(305,391)	(2,098)	(3)
<b>Operating profit</b>		503,496	366,335	119,970	12,376
Finance income	7	22,709	27,503	48,068	16,931
Finance costs	7	(99,557)	(80,943)	(47,820)	(21,146)
Share of results of associates		152,307	99,689	-	-
Share of results of jointly controlled entities		143,987	85,949	-	-
<b>Profit before tax</b>	8	722,942	498,533	120,218	8,161
Income tax expense	11	(125,382)	(69,560)	(22,793)	328
<b>Profit net of tax</b>		597,560	428,973	97,425	8,489
Attributable to:					
Owners of the parent		530,625	387,555	97,425	8,489
Non-controlling interests		66,935	41,418	-	-
		597,560	428,973	97,425	8,489
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	12	41.05	29.98		
Diluted	12	41.05	29.98		

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of comprehensive income  
For the financial year ended 31 December 2012**

	Group		Company	
	2012 RM'000	2011 RM'000 (Restated)	2012 RM'000	2011 RM'000
Profit net of tax	597,560	428,973	97,425	8,489
<b>Other comprehensive income*:</b>				
Foreign currency translation	982	(721)	-	-
Gain on fair value changes	-	-	4,462	-
Cash flow hedge reserve - fair value losses (Note 45)				
- Fair value of derivatives	(20,124)	33,600	(17,595)	29,798
- Amount recycled to profit or loss	32,268	(47,380)	27,250	(41,500)
Other comprehensive income/(loss) for the year net of tax	13,126	(14,501)	14,117	(11,702)
Total comprehensive income/(loss) for the year	610,686	414,472	111,542	(3,213)
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the parent	549,284	376,089	111,542	(3,213)
Non-controlling interests	61,402	38,383	-	-
	610,686	414,472	111,542	(3,213)

\* There is no tax effect arising from each of the component of the other comprehensive income.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Sunway Berhad**  
(Incorporated in Malaysia)

**Statements of financial position**  
**As at 31 December 2012**

	Note	-----Group-----		
		31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	804,698	960,567	928,268
Biological assets	14	613	416	461
Investment properties	15	1,242,519	888,896	726,146
Rock reserves	16	7,444	8,379	9,314
Land held for property development	17	598,912	1,017,292	533,187
Investments in associates	20	1,023,761	1,015,303	987,896
Investments in jointly controlled entities	21	516,452	265,896	253,921
Goodwill	22	318,077	326,497	329,230
Deferred tax assets	36	33,718	33,308	40,194
Trade receivables	26	3,899	7,013	9,935
Derivatives	40	2,058	33,600	-
Other investments	23	1,802	1,849	12,647
		<u>4,553,953</u>	<u>4,559,016</u>	<u>3,831,199</u>
<b>Current assets</b>				
Property development costs	24	991,529	669,334	621,315
Inventories	25	650,308	451,840	301,545
Trade receivables	26	1,135,979	782,382	731,590
Other receivables	27	181,215	325,762	278,907
Amounts due from associates	28	21,014	-	1,685
Amounts due from jointly controlled entities	29	230,556	211,001	278,686
Tax recoverable		47,827	67,588	54,566
Derivatives	40	12,203	-	12,484
Cash and bank balances	30	1,158,890	776,705	868,539
		<u>4,429,521</u>	<u>3,284,612</u>	<u>3,149,317</u>
<b>Total assets</b>		<u>8,983,474</u>	<u>7,843,628</u>	<u>6,980,516</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of financial position  
As at 31 December 2012 (contd.)**

	Note	-----Group-----		
		31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade payables	37	1,148,488	1,053,593	826,186
Other payables	38	623,332	593,497	552,783
Amounts due to associates	28	30	15,065	13,430
Borrowings	31	1,764,753	311,004	491,749
Hire purchase and finance lease liabilities	35	8,402	9,008	10,054
Derivatives	40	197	1,554	279
Tax payable		31,015	27,098	67,606
		<u>3,576,217</u>	<u>2,010,819</u>	<u>1,962,087</u>
<b>Non-current liabilities</b>				
Borrowings	31	972,177	1,914,870	876,435
Other payables	38	260,451	343,411	-
Long term liabilities	32	21,953	31,471	28,465
Advances by minority shareholders of subsidiaries	33	130,033	123,215	112,244
Hire purchase and finance lease liabilities	35	11,102	18,812	27,558
Deferred tax liabilities	36	53,246	56,556	73,334
Derivatives	40	792	182	1,754
		<u>1,449,754</u>	<u>2,488,517</u>	<u>1,119,790</u>
<b>Total liabilities</b>		<u>5,025,971</u>	<u>4,499,336</u>	<u>3,081,877</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of financial position  
As at 31 December 2012 (contd.)**

	Note	-----Group-----		
		31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000 (Restated)
<b>Equity and liabilities (contd.)</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	41	1,292,505	1,292,505	*
Share premium	42	2,326,509	2,326,509	-
Equity contribution	43	51,654	35,376	35,376
Merger reserve	44	(1,192,040)	(1,192,040)	1,652,652
Reserves	45	1,098,013	554,593	1,829,911
		<u>3,576,641</u>	<u>3,016,943</u>	<u>3,517,939</u>
Non-controlling interests		380,862	327,349	380,700
Total equity		<u>3,957,503</u>	<u>3,344,292</u>	<u>3,898,639</u>
<b>Total equity and liabilities</b>		<u>8,983,474</u>	<u>7,843,628</u>	<u>6,980,516</u>

\* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of financial position  
As at 31 December 2012**

	Note	Company		
		31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	3,178	700	-
Investments in subsidiaries	18	3,623,065	3,622,102	-
Deferred tax assets	36	-	338	-
Derivatives	40	-	29,798	-
Other investments	23	21,278	5,391	-
		<u>3,647,521</u>	<u>3,658,329</u>	<u>-</u>
<b>Current assets</b>				
Other receivables	27	948	1,433	-
Amounts due from subsidiaries	19	1,293,661	1,004,345	-
Tax recoverable		110	-	-
Derivatives	40	12,203	-	-
Cash and bank balances	30	10,797	10,694	6
		<u>1,317,719</u>	<u>1,016,472</u>	<u>6</u>
<b>Total assets</b>		<u>4,965,240</u>	<u>4,674,801</u>	<u>6</u>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Other payables	38	22,915	15,709	85
Amounts due to subsidiaries	34	11,057	12,106	-
Borrowings	31	1,144,004	-	-
Tax payable		-	10	-
		<u>1,177,976</u>	<u>27,825</u>	<u>85</u>
<b>Non-current liability</b>				
Borrowings	31	60,000	1,031,254	-
<b>Total liabilities</b>		<u>1,237,976</u>	<u>1,059,079</u>	<u>85</u>



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of financial position  
As at 31 December 2012 (contd.)**

	Note	I-----Company-----I		
		31.12.2012 RM'000	31.12.2011 RM'000 (Restated)	1.1.2011 RM'000
<b>Equity and liabilities (contd.)</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	41	1,292,505	1,292,505	*
Share premium	42	2,326,509	2,326,509	-
Reserves	45	108,250	(3,292)	(79)
Total equity		<u>3,727,264</u>	<u>3,615,722</u>	<u>(79)</u>
<b>Total equity and liabilities</b>		<u>4,965,240</u>	<u>4,674,801</u>	<u>6</u>

\* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

Sunway Berhad  
(Incorporated in Malaysia)

Statements of changes in equity  
For the financial year ended 31 December 2012

	Attributable to owners of the parent																	
	Share capital (Note 41)	Share premium (Note 42)	Share contribution from non-controlling interests (Note 43)	Merger reserve (Note 44)	Capital reserve (Note 45)	Capital redemption reserve (Note 45)	Statutory reserve (Note 45)	Revaluation reserve (Note 45)	Share option reserve (Note 45)	Equity contribution reserve (Note 45)	Cash flow hedge reserve (Note 45)	Furniture & fittings reserve (Note 45)	Foreign currency translation reserve (Note 45)	Other reserves, total (Note 45)	Distributable retained earnings (Note 45)	Equity attributable to owners of the parent, total	Non-controlling interests	Equity, total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2012 Group</b>																		
At 1 January 2012 (as previously stated)	1,292,505	2,326,509	35,376	(1,192,040)	34,137	75,521	879	22,357	3,170	21,643	(13,780)	2,049	(24,156)	121,820	401,263	2,985,433	326,366	3,311,799
Effects of adopting Amendments to FRS 112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,510	31,510	983	32,493
At 1 January 2012 (restated)	1,292,505	2,326,509	35,376	(1,192,040)	34,137	75,521	879	22,357	3,170	21,643	(13,780)	2,049	(24,156)	121,820	432,773	3,016,943	327,349	3,344,292
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	12,144	-	6,515	18,659	530,625	549,284	61,402	610,686
Total recognised income and expense for the year	-	-	-	-	-	-	-	-	-	-	12,144	-	6,515	(352)	352	549,284	61,402	610,686
Utilisation of furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	(352)	-	(352)	-	-	-	-
<b>Transactions with owners</b>																		
Additional equity contribution	-	-	16,278	-	-	-	-	-	-	69	-	-	-	69	33	16,380	71,272	87,652
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,458)	(49,458)
Redemption of preference shares in a subsidiary	-	-	-	-	-	25	-	-	-	-	-	-	-	25	(25)	-	-	-
Reclass to capital redemption reserve	-	-	-	-	-	23,417	-	-	-	-	-	-	-	23,417	(23,417)	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(930)	(930)
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,966)	(5,966)	(28,773)	(34,739)
Total transactions with owners	-	-	16,278	-	-	23,442	-	-	69	-	-	-	-	23,511	(29,375)	10,414	(7,889)	2,525
At 31 December 2012	1,292,505	2,326,509	51,654	(1,192,040)	34,137	98,963	879	22,357	3,170	21,712	(1,636)	1,697	(17,641)	163,638	934,375	3,576,641	380,862	3,957,503

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH  
THE AUDITORS' REPORT THEREON (Cont'd)**

Sunway Berhad  
(Incorporated in Malaysia)

Statements of changes in equity

For the financial year ended 31 December 2012

	Attributable to owners of the parent										Equity attributable to owners of the parent, total RM'000	Equity, total RM'000				
	Non-distributable					Distributable										
	Share capital (Note 41) RM'000	Share premium (Note 42) RM'000	Equity contribution from non- controlling interests (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Capital redemp- tion reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revalua- tion reserve (Note 45) RM'000	Share option reserve (Note 45) RM'000	Equity contribution reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Furniture & fittings reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Distri- butable retained earnings (Note 45) RM'000	
<b>2011</b>																
<b>Group</b>																
At 1 January 2011 (as previously stated)			35,376	1,652,652	34,137	75,378	618	22,501	2,201	20,026	-	-	(26,470)	128,391	1,701,520	
Effects of adopting Amendments to FRS 112			-	-	-	-	-	-	-	-	-	-	-	-	16,011	
At 1 January 2011 (restated)			35,376	1,652,652	34,137	75,378	618	22,501	2,201	20,026	-	(26,470)	128,391	1,717,531	3,533,960	
Total comprehensive income			-	-	-	-	-	-	-	-	(13,780)	2,314	(11,466)	387,555	376,089	
Total recognised income and expense for the year			-	-	-	-	-	-	-	-	(13,780)	2,314	(11,466)	387,555	38,383	
Transfer to statutory reserve			-	-	-	-	261	-	-	-	-	-	-	261	(261)	-
Provision of furniture & fittings reserve			-	-	-	-	-	-	-	-	2,049	-	-	2,049	(2,049)	-
Share of depreciation transfer on land, net of tax by an associated company			-	-	-	-	-	(144)	-	-	-	-	-	(144)	193	49
Transactions with owners			-	-	-	-	261	(144)	-	-	2,049	-	-	2,166	(2,117)	49
Arising from merger exercise			-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESOS vested during the financial year	1,292,505	2,326,509	-	(2,844,692)	-	-	-	-	-	-	-	-	-	(1,661,632)	(887,310)	(887,310)
Additional equity contribution	-	-	-	-	-	-	-	-	969	-	-	-	-	969	(969)	-
Additional shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	-	1,617	-	-	-	1,617	-	1,617
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,849
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,463)
Redemption of preference shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,452)	514
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	143	-	-	-	-	-	-	-	143	(143)	(65,300)
<b>Total transactions with owners</b>	1,292,505	2,326,509	-	(2,844,692)	-	143	-	-	969	1,617	-	-	-	2,729	(1,670,196)	(91,666)
<b>At 31 December 2011</b>	1,292,505	2,326,509	35,376	(1,192,040)	34,137	75,521	879	22,357	3,170	21,643	(13,780)	2,049	(24,156)	121,620	432,773	3,016,943
																327,349
																3,344,292

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH  
THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad**

**(Incorporated in Malaysia)**

**Statements of changes in equity**

**For the financial year ended 31 December 2012 (contd.)**

Company	Non-distributable				(Accumulated loss)/ distributable retained earnings (Note 45) RM'000	Equity, total RM'000
	Share capital (Note 41) RM'000	Share premium (Note 42) RM'000	Cash flow hedge reserve (Note 45) RM'000	Fair value reserve (Note 45) RM'000		
<b>At 1 January 2011</b>	*	-	-	-	(79)	(79)
Total comprehensive loss	-	-	(11,702)	-	8,489	(3,213)
<b>Transactions with owners</b>						
Arising from merger exercise	1,292,505	2,326,509	-	-	-	3,619,014
<b>At 31 December 2011</b>	1,292,505	2,326,509	(11,702)	-	8,410	3,615,722
Total comprehensive income	-	-	9,655	4,462	97,425	111,542
<b>At 31 December 2012</b>	1,292,505	2,326,509	(2,047)	4,462	105,835	3,727,264

\* Represents 2 ordinary shares of RM1.00 each amounting to RM2.

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the financial year ended 31 December 2012**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Cash flows from operating activities</b>				
Receipts from customers	3,655,860	3,915,612	65,107	7,779
Payment to suppliers, contractors and operating expenses	(3,362,777)	(3,572,993)	(63,821)	(19,139)
Interest received				
- subsidiaries	-	-	50,520	11,987
- deposits with licensed financial institutions	16,780	19,593	48	15
- others	-	-	16	1
Dividends received/profit distribution from				
- subsidiaries	-	-	102,377	11,760
- associate and jointly controlled entity	185,095	151,970	-	-
- others	-	1,893	-	-
Cash generated from operations	494,958	516,075	154,247	12,403
Taxes refunded	28,313	18,729	-	-
Taxes paid	(133,598)	(135,767)	(75)	-
Net cash generated from operating activities	389,673	399,037	154,172	12,403
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	336,526	13,314	-	-
Proceeds from dilution of equity interest in a subsidiary	-	14,200	-	-
Proceeds from disposal of investment in a subsidiary	780	51	-	-
Net cash generated from investing activities carried forward	337,306	27,565	-	-

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the financial year ended 31 December 2012 (contd.)**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from investing activities (contd.)</b>				
Net cash generated from				
investing activities brought forward	337,306	27,565	-	-
Deposit paid on acquisition of land	(858)	(37,197)	-	-
Deposit paid on acquisition of equity				
interest from non-controlling interest	(9,247)	-	-	-
Acquisition of land	(42,969)	(47,251)	-	-
Acquisition of property, plant and equipment (Note a)	(167,886)	(142,044)	(2,821)	(703)
Acquisition of biological assets	(340)	(184)	-	-
Acquisition and additional investment in subsidiaries	(24,486)	(14,276)	(375)	(907,842)
Acquisition of other investment	-	-	(11,425)	-
Acquisition and subsequent expenditure of investment properties	(26,711)	(57,946)	-	-
Full repayment of balance consideration for the acquisition of investment properties in previous financial year	-	(11,278)	-	-
Acquisition and subsequent expenditure of investment properties under construction	(160,667)	(41,346)	-	-
Net cash used in investing activities carried forward	(95,858)	(323,957)	(14,621)	(908,545)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the financial year ended 31 December 2012 (contd.)**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Cash flows from investing activities (contd.)</b>				
Net cash used in investing activities brought forward	(95,858)	(323,957)	(14,621)	(908,545)
Investments in jointly controlled entities	(227,901)	(29,873)	-	-
Investments in associates	(11,424)	(10,087)	-	-
Disposal of other investments	-	(50)	-	-
Advances (to)/from subsidiaries	-	-	(289,237)	14,103
Advances (to)/from associates, joint venture partners and jointly controlled entities	(40,745)	71,005	-	-
Capital repayment from an associate	6,094	-	-	-
Net cash used in investing activities	<u>(369,834)</u>	<u>(292,962)</u>	<u>(303,858)</u>	<u>(894,442)</u>
<b>Cash flows from financing activities</b>				
Drawdown of term loans	819,438	1,303,132	-	904,754
Drawdown of revolving credits	696,921	650,437	-	-
Drawdown of other bank borrowings	404,064	307,110	-	-
Drawdown of commercial papers	677,000	-	677,000	-
Repayment of term loans	(645,799)	(313,549)	-	-
Repayment of revolving credits	(612,800)	(763,250)	-	-
Repayment of other bank borrowings	(410,250)	(317,273)	-	-
Repayment of commercial papers	(477,000)	-	(477,000)	-
Net cash generated from financing activities carried forward	<u>451,574</u>	<u>866,607</u>	<u>200,000</u>	<u>904,754</u>

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the financial year ended 31 December 2012 (contd.)**

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from financing activities (contd.)</b>				
Net cash generated from financing activities brought forward	451,574	866,607	200,000	904,754
Repayment of hire purchase and finance lease liabilities	(17,043)	(9,792)	-	-
Interest paid	(118,462)	(71,445)	(50,211)	(12,027)
Interest received	7,474	5,091	-	-
Redemption of preference shares held by non-controlling interests of subsidiaries	-	(65,300)	-	-
Proceeds from redemption of preference shares in jointly controlled entity	-	9,500	-	-
Proceeds from redemption of preference shares in other investments	-	10,853	-	-
Issuance of preference shares to non-controlling interests of subsidiaries	-	2,100	-	-
Issuance of ordinary shares to non-controlling interests of subsidiaries	-	300	-	-
<b>Net cash generated from financing activities carried forward</b>	<b>323,543</b>	<b>747,914</b>	<b>149,789</b>	<b>892,727</b>



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**Statements of cash flows  
For the financial year ended 31 December 2012 (contd.)**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Cash flows from financing activities (contd.)</b>				
Net cash generated from financing activities brought forward	323,543	747,914	149,789	892,727
Capital repayment to shareholders	-	(904,753)	-	-
Dividends paid to non-controlling interests of subsidiaries	(49,458)	(39,463)	-	-
Net cash generated from/(used in) financing activities	<u>274,085</u>	<u>(196,302)</u>	<u>149,789</u>	<u>892,727</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	293,924	(90,227)	103	10,688
<b>Effects of foreign exchange rates changes</b>	(3,489)	7,310	-	-
<b>Cash and cash equivalents at beginning of financial year</b>	<u>773,277</u>	<u>856,194</u>	<u>10,694</u>	<u>6</u>
<b>Cash and cash equivalents at end of financial year (Note 30)</b>	<u>1,063,712</u>	<u>773,277</u>	<u>10,797</u>	<u>10,694</u>
Note a:				
Additions of property, plant and equipment	180,762	160,582	2,821	703
Additions via deferred payment	(4,149)	-	-	-
Additions via hire purchase and finance lease liabilities	(8,727)	(18,538)	-	-
Cash outflow for acquisition of property, plant and equipment	<u>167,886</u>	<u>142,044</u>	<u>2,821</u>	<u>703</u>

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****Notes to the financial statements  
For the financial year ended 31 December 2012****1. Corporate information**

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

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are set out in Note 52.

The financial statements for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 25 April 2013.

**2. Summary of significant accounting policies****2.1 Basis of preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2012 as described in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis, unless otherwise indicated in this summary of significant accounting policies.

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**2. Summary of significant accounting policies (contd.)**

**2.2 Changes in accounting policies**

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

On 1 January 2012, the Group and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7 Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112 Deferred Tax - Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012

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

**Amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets**

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model as prescribed under FRS 140 should be determined on the basis that its carrying amount will be recovered through sale.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**2. Summary of significant accounting policies (contd.)**

**2.2 Changes in accounting policies (contd.)**

**Amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets (contd.)**

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

Group	Increase/(Decrease)	
	31.12.2011 RM'000	1.1.2011 RM'000
<b>Statements of financial position</b>		
Deferred tax liability	(32,493)	(15,963)
Non-controlling interest	983	(48)
Retained earnings	31,510	16,011
<b>Income statements</b>		
Income tax expense	15,499	16,011
Profit net of tax	15,499	16,011
Non-controlling interest	1,031	(48)
Profit net of tax after non-controlling interest	16,530	15,963
<b>Impact of earnings per share attributable to owners of the parent</b>		
	31.12.2011 Sen	1.1.2011 Sen
Basic	1.28	1.24
Diluted	1.28	1.24

**2.3 Standards and interpretations issued but not yet effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**2. Summary of significant accounting policies (contd.)**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associates and Joint Venture	1 January 2013
Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as discussed below:

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.3 Standards and Interpretations issued but not yet effective (contd.)****FRS 9 Financial Instruments: Classification and Measurement**

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

**FRS 10 Consolidated Financial Statements**

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127. The Group is in the process of making an assessment of the impact of this implementation.

**FRS 11 Joint Arrangements**

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will not have any material impact to the financial position of the Group.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.3 Standards and interpretations issued but not yet effective (contd.)****FRS 12 Disclosure of Interests in Other Entities**

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

**FRS 13 Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

**FRS 127 Separate Financial Statements**

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

**FRS 128 Investments in Associates and Joint Ventures**

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

**FRS 119 Employee Benefits**

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statements of financial position to reflect the full value of the plan deficit or surplus.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.3 Standards and interpretations issued but not yet effective (contd.)****FRS 119 Employee Benefits (contd.)**

The amendments to FRS 119 require retrospective application with certain exceptions. The directors anticipate that the application of the amendments to FRS 119 may have impact on amounts reported in respect of the Group's defined benefit plans. However, the Group is currently assessing the impact that this standard will have on the financial position and performance of the Group.

**Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)**

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which would never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position and performance.

**Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.3 Standards and Interpretations issued but not yet effective (contd.)****Malaysian Financial Reporting Standards (MFRS Framework) (contd.)**

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings. The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning on 1 January 2014.

**2.4 Basis of consolidation**

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. If there are indications of impairment, intra-group losses are not eliminated.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.11. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.4 Basis of consolidation (contd.)**

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations involving entities under common control are accounted for by applying the merger method of accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital and capital reserves of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

**2.5 Transactions with non-controlling interest**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from equity attributable to owners of the parent.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the parent.

**2.6 Foreign currency****(a) Functional and presentation currency**

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

**(b) Foreign currency transactions**

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.6 Foreign currency (contd.)****(b) Foreign currency transactions (contd.)**

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

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

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

**(c) Foreign operations**

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

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**Sunway Berhad  
(Incorporated in Malaysia)**

**2. Summary of significant accounting policies (contd.)**

**2.7 Property, plant and equipment**

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

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

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

	%
Buildings	2
Renovations	10
Plant and machinery	5 - 20
Motor vehicles	10 - 20
Equipment, furniture and fittings	5 - 33

Quarry development expenditure consists of expenditure incurred to construct infrastructure to facilitate the quarry operations. Quarry development expenditure is amortised over the extractable rock reserves period, ranging from 3 to 80 years.

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

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

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

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.8 Biological assets**

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

Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at an annual rate of 20%.

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

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

**2.9 Investment properties**

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

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

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

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**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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**Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.9 Investment properties (contd.)**

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

**2.10 Construction contracts**

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

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

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

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

**2.11 Goodwill**

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

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.11 Goodwill (contd.)**

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

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

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

**2.12 Rock reserves**

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

**2.13 Impairment of non-financial assets**

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

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.13 Impairment of non-financial assets (contd.)**

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

Impairment losses are recognised in profit or loss.

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

**2.14 Subsidiaries**

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

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



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.15 Associates**

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

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

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

**2.16 Jointly controlled entities**

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

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting as described in Note 2.15.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 31 DECEMBER 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)****Sunway Berhad  
(Incorporated in Malaysia)****2. Summary of significant accounting policies (contd.)****2.16 Jointly controlled entities (contd.)**

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

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

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

**2.17 Financial assets**

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

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

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

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

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

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

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