

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Industry player	Business activities	Classification	Latest available FYE	Group revenue (RM)	Segmental revenue for construction and construction-related activities ^{a, b} (RM)
Triplc Berhad ^b	Property development, property construction, property investment, investment holding, others	Pure play	31 May 2014	108,393,964	107,295,838
Crest Builder Holdings Berhad ^b	Construction, investment holding, property development	Diversified	31 December 2014	207,391,620	98,255,715
TSR Capital Berhad ^b	Construction, manufacturing, investing, property	Diversified	31 December 2014	116,563,000	97,069,000
Lebtech Berhad ^c	Construction and trading of products	Pure play	31 December 2014	78,331,932	78,331,932
Bina Darulaman Berhad ^b	Property development, quarry and road paving, construction, operation of golf resort and hotel, trading	Diversified	31 December 2014	328,878,785	70,761,000
DKLS Industries Berhad ^b	Investment holding, construction, manufacturing, property development, others	Diversified	31 December 2014	210,980,797	66,045,692
PLB Engineering Berhad ^b	Construction, property development, trading, property letting, waste management, investment holding, others	Diversified	31 August 2014	191,729,605	66,001,000
Kumpulan Jetson Berhad ^b	Construction and property development, hostel management, manufacturing	Diversified	31 December 2014	159,057,918	45,984,444
Fututech Berhad ^b	Manufacturing, construction,	Diversified	31 December 2013	41,995,486	36,070,529

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Industry player	Business activities	Classification	Latest available FYE	Group revenue (RM)	Segmental revenue for construction and construction-related activities ^{a, b} (RM)
	properties, investment and others				
Benelac Holdings Berhad ^b	Land reclamation services, vessel chartering and marine transportation, shipbuilding, others	Diversified	30 June 2014	211,017,214	17,617,674
Brem Holding Berhad ^b	Civil engineering and construction, property development, property investments and investment holding, water supply and services	Diversified	31 March 2014	144,101,370	14,744,025
Ark Resources Berhad ^c	Construction, property development, investment	Pure play	31 December 2014	7,400,041	6,873,737
Kumpulan Europlus Berhad ^b	Manufacturing, construction, others	Diversified	31 March 2014	13,910,000	1,694,000

^a Due to differing segmental revenue definitions of industry players, this may include some revenue derived from businesses other than construction and revenue derived from outside Malaysia

^b Segmental revenue for construction and construction-related activities excludes inter-company or inter-segment revenue

^c Segmental revenue for construction and construction-related activities may include inter-company or inter-segment revenue

Source: Extracted from the independent market research report prepared by SMITH ZANDER

In 2013, Malaysia's construction industry, measured by the total value of projects awarded, was registered at RM130.7 billion. During this same period, Sunway Construction Group Berhad was awarded projects amounting to RM2.9 billion and thereby garnered a market share of 2.2% in Malaysia based on the total value of projects awarded. For the first half of 2014, Malaysia's construction industry, measured by the total value of projects awarded, was registered at RM62.9 billion. Sunway Construction Group Berhad was further awarded with projects amounting to RM758.3 million in 2014, of which RM332.7 million was secured in the first half of 2014 thereby resulting in a market share of 0.5%.

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Demand Conditions – Key Demand Drivers**Government expenditure to drive infrastructure development generates demand for construction services**

In addition to the 10MP and ETP, the Government of Malaysia in the recent Budget 2015 announced the launch of the Eleventh Malaysia Plan (“11MP”) commencing May 2015, and the formulation of the Malaysian National Development Strategy (“MyNDS”). MyNDS will be the vehicle for planning and preparation of programmes and projects under 11MP, with an emphasis on using limited resources optimally, with focus on high impact projects and programmes at low cost as well as efficient and rapid implementation. Budget 2016 which will be announced in the second half of 2015 will be the start to the final five (5) years of Malaysia’s progress to achieving high-income advanced economy status by 2020.

Under Budget 2015, the Government announced several infrastructure projects that will result in greater demand for construction services. A total of approximately RM75.0 billion worth of highway infrastructure projects have been earmarked to commence in 2015.

Construction industry in Malaysia – infrastructure projects announced under Budget 2015

Measure	Project	Committed investment (RM billion)
Accelerating public and private investment	Construction of the 59 km Sungai Besi – Ulu Klang Expressway	5.3
	Construction of the 276 km West Coast Expressway from Taiping to Banting	5.0
	Construction of the 47 km Damansara – Shah Alam Highway	4.2
	Construction of the 36 km Eastern Klang Valley Expressway	1.6
	Upgrading the East Coast railway line along Gemas – Mentakab, Jerantut – Sungai Yu and Gua Musang –Tumpat	0.2
	Construction of the 56 km Second MRT Line from Selayang to Putrajaya	23.0
	LRT 3 Project, which will link Bandar Utama to Shah Alam and Klang	9.0
	Construction of the 1,663 km Pan-Borneo Highway comprising 936 km in Sarawak and 727 km in Sabah	27.0
	Pengerang Integrated Petroleum Complex (“PIPC”) project	69.0
Increasing capacity of high-speed broadband	Build 1,000 new telecommunication towers and laying of undersea cables	Not available
Rural facilities and infrastructure	Construction of 635 km of rural roads including former logging roads in Sabah and Sarawak	1.0
	Implement electricity connection for 15,000 houses in Sabah and Sarawak	1.1
	Implement rural clean water supply for 7,500 houses	0.4

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In January 2015, the Government of Malaysia announced a revision to Budget 2015 following the global decline in crude oil prices. Despite a revenue shortfall resulting from lower crude oil prices, the Government will take measures to ensure that economic growth remains on a strong trajectory. Specific to the construction industry, the Government is committed to ensuring that the developmental expenditure allocated under Budget 2015 will be maintained and spent on projects such as public housing, flood mitigation, water supply, electricity and public transport infrastructure. Under the Budget 2015 revisions, the Government intends to continue to undertake major infrastructure projects such as the Second MRT Line, LRT 3, Kuala Lumpur-Singapore High-Speed Rail and the Pan-Borneo Highway.

Construction industry in Malaysia – revisions to Budget 2015, specific to the construction industry

Strategy	Description
Ensuring balanced inclusive and sustainable economic growth	<ul style="list-style-type: none"> ▪ Frontload implementation of logistics and trade facilitation: <ul style="list-style-type: none"> • Improve last-mile connectivity to Port Klang including access road, railway network and traffic management system; • Upgrade Padang Besar railway terminal; • Improve operational efficiency of import and export processes; and • Establish a hub and spoke system for air transport ▪ To enhance private consumption, the Government will give priority to local class G1 (Class F), G2 (Class E) and G3 (Class D) contractors registered with CIDB to undertake reconstruction works in their respective flood affected areas.
Assisting the <i>rakyat</i> and business community as well as rebuilding infrastructure damaged by the floods	<p>The recent floods affected around 400,000 people nationwide. The latest estimate of damage to infrastructure is about RM2.9 billion. Among the measures that have been taken and will be implemented to assist flood victims include:</p> <ul style="list-style-type: none"> ▪ The Government has provided an initial allocation of RM500.0 million for rehabilitation works and welfare programmes for flood victims. This is in addition to the existing allocation to the National Security Council, bringing the total to RM787.0 million; ▪ Provide an initial allocation of RM800.0 million for repair and reconstruction of basic infrastructure such as schools, hospitals, roads and bridges; ▪ Provide RM893.0 million under Budget 2015 for flood mitigation projects; ▪ Build eight (8) feet stilt houses for those who have land and whose homes were damaged by the floods; and ▪ Handover 1,000 units of completed low cost houses in Gua Musang.

Source: Extracted from the independent market research report prepared by SMITH ZANDER

In May 2015, the Government tabled the 11MP (2016-2020) which outlined the nation's development expenditure until 2020. The development of the 11MP was guided by MyNDS which focuses on rapidly delivering high impact on both the capital and people economies at low cost to the Government. The capital economy focuses on GDP growth, big businesses, large investment projects, and financial markets, while the people economy focuses on with what matters most to the people, which includes jobs, small businesses, the cost of living, family wellbeing, and social inclusion. The construction industry is expected to benefit from the 11MP due to higher demand for modern and efficient infrastructure. Under the 11MP, the construction sector is estimated to expand by 10.3% per annum during the 11MP period. This is attributed to continued civil engineering works and a growing residential subsector to fulfil the demand for housing, particularly from the middle-income group. Demand for affordable housing by the low-income group will also remain favourable, which will be supported by several Government initiatives, such as Program Perumahan Rakyat 1Malaysia ("PR1MA"), Rumah Idaman Rakyat and Rumah Mesra Rakyat. Other subsectors such as civil engineering and non-residential will remain robust in line with the

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development of major projects such as the Tun Razak Exchange, KL118 Tower, RAPID and the Pan-Borneo Highway.

Construction industry in Malaysia – initiatives announced under 11MP, specific to the construction industry

Focus area	Description
Uplifting Bottom 40% ("B40") households towards a middle-class society	<ul style="list-style-type: none"> ▪ Increasing the provision of affordable housing <ul style="list-style-type: none"> • The Government will continue to ensure that affordable homes are available to B40 households. Existing low cost flats and houses will be refurbished as part of a holistic campaign to improve the living conditions of the community. For poor households in rural areas, especially Orang Asli in Peninsular Malaysia and those living in Sabah and Sarawak, the Government will continue to provide housing with basic amenities through the construction of integrated settlements under Program Bantuan Rumah ("PBR"). The Program Perumahan Rakyat ("PPR") will be continued for poor households in urban areas. ▪ Increasing access to healthcare services <ul style="list-style-type: none"> • In rural areas, more community clinics will be built to increase access to basic healthcare services.
Empowering communities for a productive and prosperous society	<ul style="list-style-type: none"> ▪ Increasing the provision of road, water and electricity supply <ul style="list-style-type: none"> • New roads will be constructed and existing roads including ex-logging roads will be upgraded to improve connectivity, particularly in Sabah and Sarawak as well as Orang Asli settlements in Peninsular Malaysia. Priority will be given to the construction of roads connecting villages as well as linking villages with the nearest towns. During the 11MP, 3,000 km of paved roads will be constructed. • The Rural Water Supply programme, to supply clean and treated water directly to each household, will be expanded and this will involve connecting households to the meter stands of the reticulation systems. In addition, alternative systems such as gravity feed, tube wells and rain water harvesting will be used in remote and isolated areas. Under the 11MP, 99.0% coverage of access of clean and treated water will be provided to rural houses reaching 90,000 additional houses. • The Rural Electricity Supply programme will continue to focus on off-grid generation for remote and isolated areas. The alternative system of solar hybrid and mini hydro will be supported by micro and pico-grid to increase coverage. Under the 11MP, 99.0% coverage of access of electricity will be provided to rural houses reaching 36,800 additional houses.
Transforming rural areas to uplift wellbeing of rural communities	<ul style="list-style-type: none"> ▪ Revisiting regional economic corridor priorities and industry-focus <ul style="list-style-type: none"> • The Border Economic Transformation Programme will enhance outcomes from regional economic development by bringing inclusive development and prosperity to the border regions of Malaysia. A range of large-scale economic growth projects and local income-generating opportunities will be developed, including the development of Lembah Chuping and Perlis Inland Port in Perlis, rubber-based downstream processing in Rubber City in Kedah, the construction of Plaza IMT-GT which is a retail plaza in Bukit Bunga, as well as the redevelopment of Kampung Laut in Tumpat, Kelantan. ▪ Improving connectivity and mobility <ul style="list-style-type: none"> • Transportation networks will be improved to enhance connectivity and mobility in regional economic corridors. This includes the construction and upgrading of roads and highways such as the Pan Borneo Highway to link Sarawak Corridor of Renewable Energy ("SCORE") and Sabah Development Corridor ("SDC"); Central Spine Road and Kota Bharu-Kuala Krai Highway to increase connectivity in the East

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Focus area	Description
	Coast Economic Region ("ECER"). The completion of Mukah Airport is expected to accelerate development in Mukah and the surrounding areas within SCORE, with Mukah to be developed as a smart city as well as one of the growth nodes in SCORE.
Accelerating regional growth for better geographic balance	<ul style="list-style-type: none"> ▪ Strengthening institutional-based programmes for assets ownership <ul style="list-style-type: none"> • Institutional-based programmes including Bumiputera real estate investment trust ("REIT") will continue to be strengthened to enhance Bumiputera ownership of large commercial and residential properties in strategic locations. Yayasan Wakaf Malaysia, state Islamic religious councils, and other Bumiputera-based institutions will collaborate to develop Malay reserve and waqf land to unlock value while retaining Bumiputera ownership.
Building an integrated need-based transport system	<ul style="list-style-type: none"> ▪ Prioritising regional connectivity for new highways <ul style="list-style-type: none"> • To achieve a balanced economic development, highway development will be focused outside the Klang Valley and other urban areas. The 11MP will therefore focus on rural and rural-urban connectivity. The Pan Borneo Highway will promote better connectivity in Sabah and Sarawak. Further development of the Central Spine Road, Kota Kota Bharu-Kuala Krai Highway, and the Lebu Raya Pantai Timur will improve connectivity in Peninsular Malaysia and catalyse growth in the east coast region. The completion of the West Coast Expressway in 2019 will also provide better access to the west coast of Perak and Selangor. ▪ Increasing public transport modal share in cities <ul style="list-style-type: none"> • Improving urban public transport remains critical for Malaysia as 75.0% of its population will be living in cities by 2020. The Klang Valley MRT system will become operational during the 11MP. The Klang Valley MRT Line 1 will traverse 51 km between Sungai Buloh and Kajang, through 31 stations serving about 1.2 million people with a daily expected ridership of 400,000. Construction on Klang Valley MRT Line 2 will also start in 2016 and is estimated to become operational by 2022. Additionally, construction on a LRT Line 3 connecting Bandar Utama to Klang, running over 36 km and serving 25 stations will start in 2016 with expected completion in 2020. ▪ Deploying roads and public transport to increase rural and rural-urban connectivity <ul style="list-style-type: none"> • Rural roads linking the main road networks will continue to be given focus. These roads provide access to basic social amenities such as health, education, and other public services. Rural roads will also create economic opportunities for the residents and further alleviate poverty among the rural households. • The Government will continue to enhance connectivity and safety of rural air services by improving short take-off and landing airstrips ("STOLports"). The construction of a new airport in Mukah will be completed in 2018 and the relocation of Lawas STOLport in Sarawak to a suitable site will be carried out. ▪ Upgrading air navigation system and airport infrastructure <ul style="list-style-type: none"> • A new Kuala Lumpur Air Traffic Control Centre will be built at Kuala Lumpur International Airport to replace the National Control Centre at Subang, Selangor to improve aircraft movement capacity. In addition, the Communication, Navigation and Surveillance as well as the Air Traffic Management systems will be upgraded to improve efficiency of air navigation services. The Langkawi International Airport, Kedah and the Sultan Ismail Petra Airport, Kelantan will be upgraded to cater for the expected increase in passengers. ▪ Improving port accessibility and capacity <ul style="list-style-type: none"> • Accessibility to major ports will be improved to cater for bigger vessels through channel deepening works. In addition, port operators will undertake capacity expansion, which includes building additional berths and wharfs. These

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Focus area	Description
Encouraging sustainable energy use to support growth	<p>improvements will attract more international liners and mega vessels with capacity of 18,000 twenty-footer equivalent units ("TEUs") to call at these ports.</p> <ul style="list-style-type: none"> ▪ Ensuring security of supply for gas <ul style="list-style-type: none"> • Gas supply security would be ensured through the construction of pipelines from the Malaysia-Thailand Joint Development Area to Kerteh, Terengganu; construction of the RGT-2 in Pengerang, Johor; and the commissioning of two (2) floating LNG units offshore Sabah and Sarawak with a capacity of 2.7 metric tonnes per annum. • Reliability of gas supply in Sabah will be improved with additional pipeline connections from offshore fields to demand centres in Federal Territory Labuan, as well as Kota Kinabalu and Kimanis in Sabah. Platforms will be connected through multiple links to provide alternative bypass options and provide capacity to users in the event of platform shutdowns. Improved connectivity for Federal Territory Labuan will be realised through the establishment of a pipeline connection between the Sabah-Sarawak Gas Pipeline and Federal Territory Labuan. ▪ Supporting the development of PIPC <ul style="list-style-type: none"> • RAPID within PIPC is a major development that will add 300,000 barrels per day of oil refining capacity in Malaysia during the 11MP. The facility will be able to produce EURO 4M and EURO 5 grade petrol, in addition to 7.7 metric tonnes per annum of various grades of specialised products such as synthetic rubber and high grade polymer by 2020. In addition, the complex will have a 1,220 megawatt ("MW") co-generation power plant of which 620 MW will be utilised by RAPID and the remaining 600 MW exported to the grid. The Government will provide support to construct essential infrastructure such as roads, drainage, and utilities for this development. Another investment in PIPC will be secured by the Johor Petroleum Development Corporation during the 11MP to complement existing investments by DIALOG-Vopak and PETRONAS. ▪ Improving efficiency and reliability of electricity supply <ul style="list-style-type: none"> • Construction of new power plants to produce 7,626 MW will be initiated to replace retiring plants and meet the growing peak demand. A number of 500 kilovolts ("kV") and 275 kV transmission projects to reinforce the grid systems will be completed to enhance the security of supply to major load demand centres. The additional generation capacity coupled with expanded transmission and distribution networks will improve the system average interruption duration index ("SAIDI") for Peninsular Malaysia, Sabah, and Sarawak.
Transforming construction	<ul style="list-style-type: none"> ▪ Enhancing knowledge content <ul style="list-style-type: none"> • The strategies to enhance knowledge content in the construction industry include increasing the quality of human capital, accelerating capacity and capability building of small and medium enterprises and Bumiputera contractors, and reducing the mismatch between labour demand and supply. Key initiatives include fostering greater collaboration between Construction Industry Development Board ("CIDB"), the respective professional boards, and training institutions to develop industry-relevant training modules. A structured skilled trade apprenticeship programme for specific courses such as safety supervisors, crane operators, and rotary drill operators will also be introduced to produce a highly skilled workforce. Small and medium enterprise capabilities will be enhanced, particularly Bumiputera contractors, with the support of key partners and the establishment of productivity CoE for sharing of best practices. Regular manpower planning will be undertaken to reduce the mismatch between labour demand and supply. The proportion of skilled foreign labour will be increased by streamlining entry requirements and introducing a new levy system. ▪ Driving productivity

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Focus area	Description
	<ul style="list-style-type: none"> • The strategies to increase productivity in the construction sector will focus on increasing technology adoption and modernisation of construction methods as well as reducing dependency on low-skilled labour. The labour productivity of the sector is targeted to increase by about 1.6 times, from RM39,116 per worker in 2015 to RM61,939 per worker by 2020. A number of initiatives will be introduced to drive productivity, including expediting the adoption of the Industrial Building System ("IBS") by the industry through the revision of the public procurement policy and Uniform Building By-Laws and improving existing regulations to ease construction-related business processes. This effort, which started with Kuala Lumpur City Hall, will be expanded to other local authorities. The use of information and communication technology ("ICT") will be enhanced by providing a common platform to use building information modelling ("BIM") on a pay-per-use basis. ▪ Fostering sustainable practices <ul style="list-style-type: none"> • In line with the growing need for green construction practices, strategies will be geared towards increasing the sustainability of built infrastructure. This will include inculcating green practices in the construction value chain and developing legislation that supports sustainable construction activities. Three (3) initiatives to foster environmental sustainability in the sector are: mandating compliance to sustainable waste management practices through EMS ISO 14001 certification; enhancing the current rating systems for buildings and developing new standards for infrastructure to promote sustainability; and enhancing the awareness and accountability of health, safety and environment, where health, safety and environment good practices will be made obligatory. The minimum level of construction workers' amenities will be raised in the code of practice and further mandated within standard contracts. ▪ Increasing the internationalisation of construction firms <ul style="list-style-type: none"> • The strategies to increase the internationalisation of firms will focus on building capability and scale of firms by encouraging highperforming small and medium enterprises to forge partnerships with larger corporations or form multidisciplinary consortia when bidding for international projects. The public procurement policy will be reviewed to facilitate the formation of such consortia. In addition, firms will be encouraged to leverage free trade agreements and mutual recognition agreements, and provide feedback to the Government on challenges faced when venturing abroad to enable issues to be addressed at government-to-government level. The Services Export Fund ("SEF"), which covers activities such as tendering, negotiating, and conducting feasibility studies for international projects as well as export promotion activities, will assist construction firms to secure opportunities abroad.
Investing in competitive cities and regional economic corridors	<ul style="list-style-type: none"> ▪ Expanding transit-oriented development ("TOD") <ul style="list-style-type: none"> • TOD refers to urban development concepts involving the mixed use of residential and commercial development to be pedestrian-friendly, designed with maximum access to public transport. City authorities will adopt TOD as part of the city's competitiveness master plan to provide mobility options to residents, add vibrancy to city spaces, reduce pollution and energy consumption by reducing commute times and increasing the use of public transport or walking, and also revitalise brownfield areas within the city. Efficient land use through TOD will be given priority along established public transport routes. ▪ Strengthening knowledge-based clusters <ul style="list-style-type: none"> • Knowledge-based clusters will be developed to attract investment and talent. Knowledge-based clusters are physical hubs within the city that agglomerate industry-specific firms and talent, particularly for industries such as creative content, ICT, and professional services. Knowledge-intensive investments will be given

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Focus area	Description
	<p>priority in the selected cities. Institutions of higher learning and research institutes located in the cities will be the catalysts to create knowledge-based clusters.</p> <ul style="list-style-type: none"> ▪ Enhancing liveability <ul style="list-style-type: none"> • Cities need to be liveable and should create a conducive environment that attracts talent to live, study, work, and play in. Better city planning mechanisms will be developed, including land use zoning that promotes residential, commercial, and basic social amenities in close proximity to increase walkability. Sports, arts, and cultural facilities will be promoted through greater collaboration between related associations, corporate bodies, and non-governmental organisations. Emphasis will also be given to the quality, capacity, and reliability of public transport, social amenities, and telecommunications networks. Healthcare facilities and high-quality schools will be planned for and developed accordingly to meet local demand. Vibrant cultural attractions, food and beverage and retail spaces will be developed to create cities that are attractive to global talent. ▪ Adopting green-based development and practices <ul style="list-style-type: none"> • All these cities will place high importance on continuous sustainable growth by enhancing green-based development and optimising low carbon resources. Environment-friendly practices, such as green buildings, green lifestyles, and sustainable consumption and production, will be embedded within the development plans of these cities.

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Greater demand for residential, commercial and industrial properties results in demand for construction services

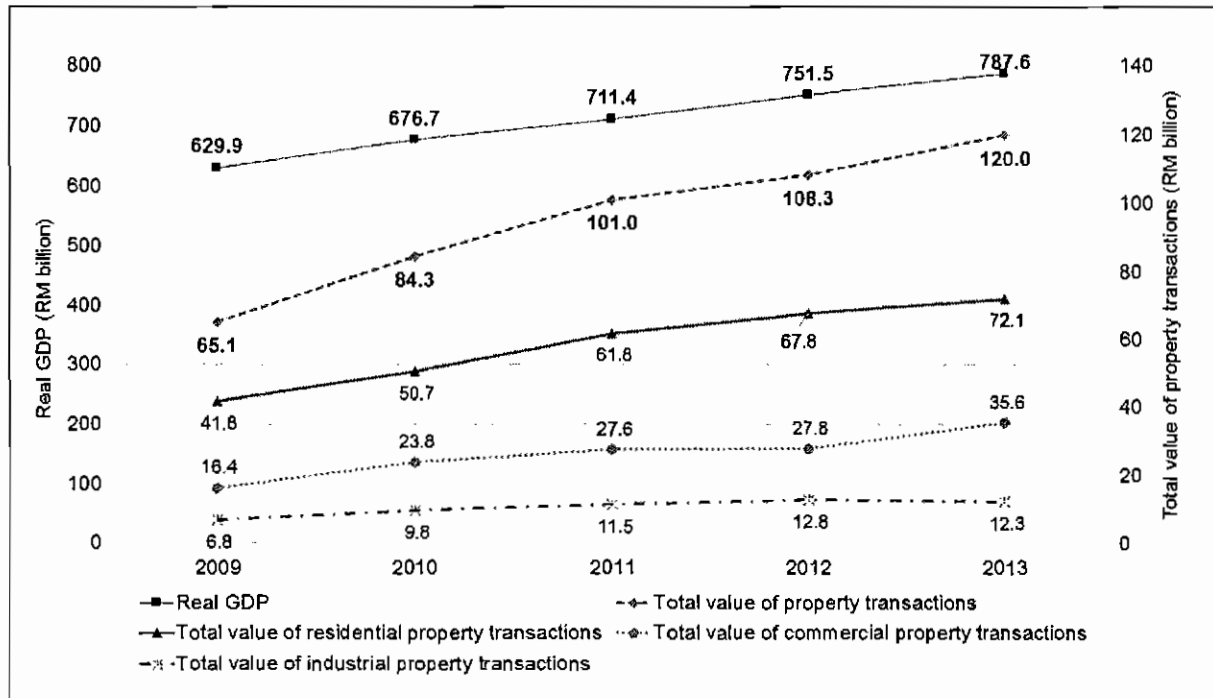
The key indicator that influences the property market is the stability of the nation's economy. A robust economy has a positive impact on the property market while a sluggish economy will likewise have a sluggish impact on property demand. Economic growth has the potential to contribute to increased disposable incomes among the population arising from higher employment and increased earnings for businesses and companies due to greater operating scale and wider market reach, consequently leading to increased demand for residential, commercial and industrial properties.

Economic growth is a catalyst for development and growth in the property market. Between 2009 and 2013, Malaysia's wealth, as depicted by its real GDP, increased from RM629.9 billion to RM787.6 billion. Total property transaction value increased from RM65.1 billion to RM120.0 billion between 2009 and 2013, where the highest growth rate of 21.4% was registered in the commercial property segment which expanded from RM16.4 billion to RM35.6 billion. The largest contributing property segment was the residential property segment that formed 60.1% of total property transaction value in 2013, followed by commercial property segment (29.6% of total property transaction value in 2013) and industrial property segment (10.3% of total property transaction value in 2013). Over the course of 2009 and 2013, the property market in Malaysia has moved in tandem with economic development.

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Construction industry in Malaysia - economic impact on property transactions



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Commercial property supply is expected to remain robust over the period of 2014 and 2015. Ongoing decentralisation of office developments, scarcity of land and plans to improve the public transportation system in Malaysia via the construction of the Klang Valley MRT System will be among the key factors that are expected to lead to a reduction in the share of office space in major city centres as new townships and business centres emerge outside these areas. Commercial retail space is expected to witness growth in the next three (3) to five (5) years as several mixed development projects that are expected to come onstream by 2017 have incorporated retail centres as key components.

From a geographical perspective, the property market in the Central region, and specifically Kuala Lumpur, is expected to be rejuvenated following the Government's move to construct the Klang Valley MRT System which will have structural impact on Kuala Lumpur's property market. The high multiplier impact from the RM43.0 billion investment to improve the city rail network for better connectivity and integration, as well as continued demand will drive opportunities in high density mixed developments and new suburban townships. Among the major upcoming commercial and mixed development projects that have been announced include the Tun Razak Exchange, MATRADE, redevelopment of Rubber Research Institute Malaysia ("RRIM") Sungai Buloh, Bandar Malaysia Sungai Besi and Kampung Baru.

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Construction industry in Malaysia – selected upcoming major property developments in the Central region

Project	Type of development	Estimated land area (acres)	Estimated gross development value (RM billion)	Expected completion date
Tun Razak Exchange	Commercial	80.0	26.0	2028 (Phase 1 by 2017)
KLCC development - lot 167, lot 176 and lot 185	Mixed development (including a 64-storey office tower)	4.0	5.0	2017
MATRADE, Hartamas	Mixed development surrounding a convention centre	62.0	15.0	2020
Cochrane	Mixed development (mainly residential and retail)	50.0	10.0	Not available
Warisan Merdeka	Commercial (100-storey office tower)	19.0	5.0	2020
Bukit Bintang Commercial Centre	Mixed development	22.0	5.0	2020
Redevelopment of Rubber Research Institute Malaysia ("RRIM") Sungai Buloh	Mixed development (mainly residential)	2,330.0	10.0	2025
Bandar Malaysia Sungai Besi	Mixed development (mainly residential)	460.0	15.0	Not available
Kampung Baru	Mixed development (Malay reserve land)	375.0	20.0	Not available

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Specific to the state of Johor, the Comprehensive Development Plan ("CDP") (2006 – 2025) was launched for Iskandar Malaysia, encompassing the districts of Johor Bahru, Kulaijaya, Pontian and Kota Tinggi. Over the period of 2011 and 2015, Iskandar Malaysia intends to achieve the creation of 55,730 employment opportunities. This target is in line with the commencement of several jet catalyst projects under various flagship development zones. Nine (9) major economic clusters have been identified to spearhead the growth of Iskandar Malaysia and these clusters are electrical and electronics, petrochemicals and oleochemicals, food and agro-processing, logistics and related services, tourism, health services, educational services, financial services and creative industries. The implementation of these economic plans and targeted strategies under the respective plans, including infrastructure and transportation improvement, have great impact on socio-economic developments in Johor, and the anticipated business opportunities arising from these economic plans will have positive impact on commercial property supply and demand in Johor.

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Growth prospects of end-user markets/industries drive demand for commercial and industrial properties and supporting infrastructure

Malaysia's economy registered a 6.0% growth in 2014 supported by resilient domestic demand and augmented by a recovery in exports. This positive performance was underpinned by strong macroeconomic fundamentals and a diversified economic structure as well as a sound financial system. Private sector expenditure expanded 7.1% and contributed 52.5% to the economy. Private investment, in particular, surged 13.0% to RM78.7 billion during the first half of 2014 with its share to total investment increasing to 68.9%. In tandem with Government transformation initiatives, investment growth is expected to remain strong in 2015.

The services sector remains the driver of growth, contributing 55.3% to GDP in 2014. Given its importance, the Government has formulated the Services Sector Blueprint 2014 to further develop the sector and strengthen its competitiveness. In this respect, the Services Sector Blueprint focuses on four (4) areas, namely internationalisation which includes liberalisation and services exports; providing efficient tax and non-tax incentives; developing human capital; and implementing regulatory reform in the services sector. With the implementation of the Services Sector Blueprint, the services sector is targeted to achieve approximately 60.0% share of GDP by 2020, on par with developed economies.

A positive growth is also expected for the outlook for the manufacturing sector led by the export-oriented industries which are expected to record higher growth in line with the improvement in external demand. The continued implementation of various construction projects in Malaysia will support growth in the construction-related cluster. The construction sector is expected to continue recording high growth, albeit at a more moderate pace in 2015, as the completion of several large civil engineering projects will more than offset the progress in existing projects in the transport, utility, and oil and gas sectors.

The positive growth recorded in Malaysia's economy and the manufacturing sector would lead to an increase in the demand for commercial and industrial properties, and subsequently, the demand for infrastructure. The ETP (2011-2020) was launched in 2010 with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. To achieve this, rapid urbanisation is required, and subsequently, the demand for supporting infrastructure is expected to increase in tandem to support economic growth targets.

Construction industry in Malaysia - anticipated economic growth of end-user markets/industries

	2014	2013	2014p
	% of GDP ¹	Annual change (%)	
Services	55.3	5.9	6.3
Manufacturing	24.6	3.5	6.2
Mining and quarrying	7.9	0.7	3.1
Agriculture	6.9	2.1	2.6
Construction	3.9	10.9	11.6
Real GDP	100.0	4.7	6.0

¹ Figures may not necessarily add up due to rounding and exclusion of import duties component

p Preliminary

f Forecast

Source: Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Economic growth corridors drive demand for comprehensive infrastructure development

The scale and pattern of infrastructure development strategies formulated by the Government is driven by the recognition that infrastructure is vital for the nation's economic development. To this end, the Government's objective is to meet the nation's infrastructure needs arising from the growth and transformation of its economy. The Government views seriously its role of minimising infrastructure shortages in the country. Further to meeting the needs of modernised sectors of the economy, including the external sector, the Government is also driven to develop infrastructure to serve socio-economic ends. In this regard, the Government strives to provide infrastructure to promote the development of less developed regions in the country. Improving the accessibility of these regions is intended to result in a more balanced development of the country and reduce economic disparity.

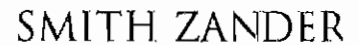
In the Ninth Malaysia Plan ("9MP"), five (5) economic corridors were launched in an effort to promote balanced economic development throughout the country. These corridors, located in both Peninsular Malaysia and East Malaysia, have attracted significant investments of approximately RM53.4 billion in the first nine (9) months of 2013 of which only an estimated 50.0% of the investments have been realised during the period. Approximately RM27.8 billion of these committed investments remain unrealised and could potentially be implemented over the next few years.

Construction industry in Malaysia - cumulative investments in five (5) economic growth corridors

Corridor	Committed (RM billion)	Realised (RM billion)	Major projects recently completed and in progress
East Coast Economic Region ("ECER")	22.8	3.7	<ul style="list-style-type: none"> Kuantan Port expansion Kuantan Port City development Malaysia – China Kuantan Industrial Park Kuala Terengganu City Centre Kertih BioPolymer Park Automotive Industrial Hub, Pekan
Iskandar Malaysia	12.6	10.0	<ul style="list-style-type: none"> Pinewood Iskandar Malaysia Studios Gleneagles Medini Hospital Double Tree Hilton Pegasus International School
Northern Corridor Economic Region ("NCER")	7.2	7.2	<ul style="list-style-type: none"> Biotechnology Incubation Centre Aquaculture Development Complex, Selinsing Expansion Programme Edu Citi Tel
Sabah Development Corridor ("SDC")	8.6	3.0	<ul style="list-style-type: none"> Sabah Oil and Gas Terminal ("SOGT") and Sabah – Sarawak Gas Pipeline (SSGP) Sipitang Oil and Gas Industrial Park ("SOGIP – Phase 1 SAMUR") Kimanis Power Plant International Technology and Commercial Centre ("ITCC") Aeropod Sabah International Convention Centre ("SICC") Sabah Agro Industrial Precinct ("SAIP") Palm Oil Industrial Clusters ("POIC") at Lahad Datu and Sandakan
Sarawak Corridor of Renewable Energy ("SCORE")	2.2	1.7	<ul style="list-style-type: none"> Ferro alloy manufacturing plant Polycrystalline silicon manufacturing plant
Total	53.4	25.6	

Source: Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



The development of these economic corridors as a result of the committed and realised investments is expected to be a significant impetus for the development of infrastructure in regions beyond the Klang Valley.

Increase in investments drive overall economic growth, and subsequently, demand for construction services

Malaysia continues to witness two-way capital flows, with foreign inflows remaining strong as a result of resilient growth prospects. In 2013, Malaysia attracted RM216.5 billion in approved direct investments in 5,669 projects that are expected to create 191,766 new jobs. Total investments in 2013 witnessed a year-on-year growth of 29.0%, with 14 mega-projects worth RM1.0 billion or more and 82 large projects worth RM100.0 million or more, where a majority of these mega-projects and large projects were in high-value, high-growth industries. FDI inflows continue to remain broad-based with significant inflows registered in high growth areas such as the oil and gas and communication services sectors. A portion of FDI is also channeled into projects under the ETP. Between 2009 and 2013, FDI inflows into Malaysia increased from RM5.1 billion to RM38.3 billion at a CAGR of 65.5%.

The ETP has a defined structure for the manufacturing and services sectors to contribute to Malaysia's continued growth through high impact projects and business opportunities across the economy. Malaysia's investment performance in 2013 supports the nation's goal in fulfilling the objectives of the ETP where it attracted a total of RM216.5 billion worth of investments, with RM89.9 billion under ETP projects (41.5% of total investments in 2013) and the remaining RM126.6 billion under non-ETP related projects.

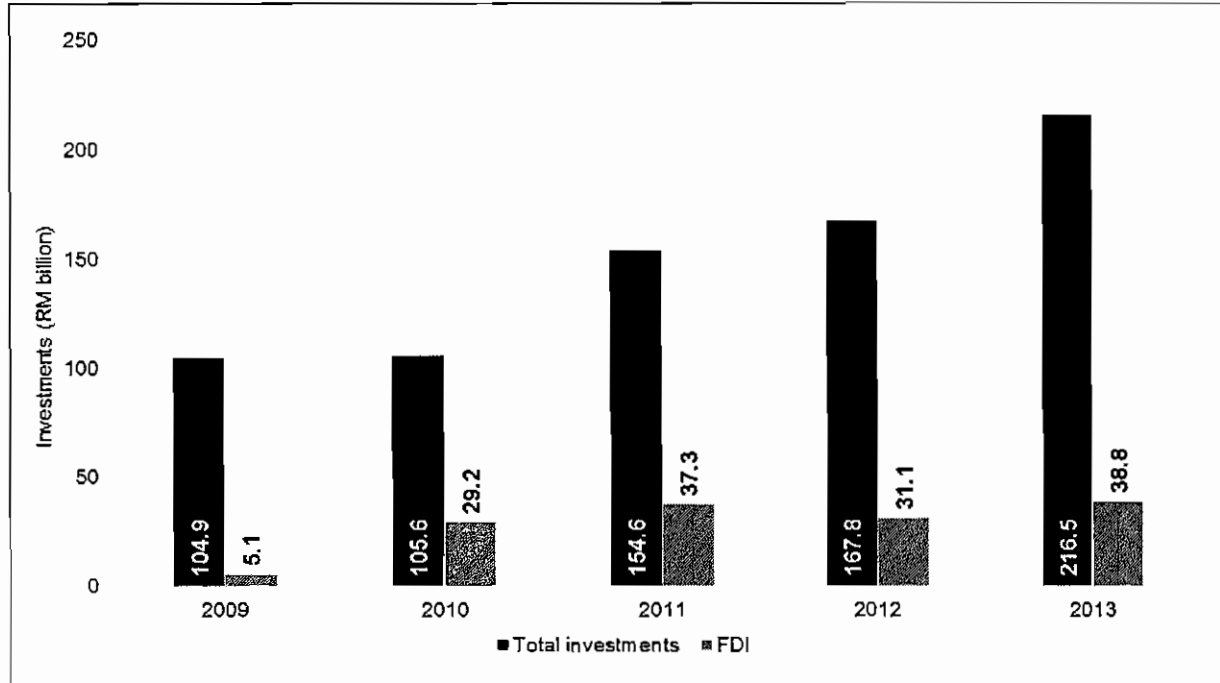
The services sector received investments of RM144.7 billion or 66.8% of total investments in 2013 from 4,796 projects that target to create 97,017 job opportunities, of which domestic investment accounted for RM125.7 billion (86.9%) and foreign investments accounted for RM19.0 billion (13.1%). The real estate segment was the main contributor of approved investments worth RM83.3 billion, followed by the power and utilities segment (RM9.1 billion), global operations hub segment (RM7.9 billion), transport (RM7.9 billion) and hotels and tourism (RM7.0 billion). The manufacturing sector attracted RM52.1 billion of investments in the same period from 787 projects, of which RM30.5 billion was foreign investments compared to RM21.6 billion worth of domestic investments. In 2013, the primary sector received RM19.7 billion of investments where foreign investments comprised RM10.0 billion and domestic investments comprised the remaining RM9.7 billion. The mining segment, agriculture segment and plantation and commodities segment received RM18.8 billion, RM558.8 million and RM330.6 million respectively in 2013.

In 2014, Malaysia targets to register approved investments of RM53.0 billion in manufacturing and RM64.0 billion in the services sector excluding real estate. As the nation strives to position itself as an ideal destination for investments into high value-added, high technology, knowledge-intensive and innovation-based industries, businesses and companies will need to grow in terms of current business practices and infrastructure and in order to expand in scale and reach. This signifies positively for the commercial and industrial property segments, and the infrastructure and social amenities development segments in Malaysia, where increased investments in business facilities are expected to witness growth resulting from increased total investments.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Construction industry in Malaysia - total investments and FDI inflows



Source: Extracted from the independent market research report prepared by SMITH ZANDER

Increasing disposable income and affluence of the population signifies growth opportunities for residential properties

Malaysia is an upper-middle income developing economy with aspirations to achieve developed status by the year 2020. Malaysia's GDP per capita increased by 29.8% from approximately RM25,385 in 2009 to RM33,132 in 2013 while purchasing power parity ("PPP") per capita income increased by 25.1% from approximately USD18,507 to USD22,104 during the same period. In 2014, Malaysia's GDP per capita further increased to RM35,399 while PPP per capita income increased to USD23,160. This increase in disposable income has led to a rise in a more affluent population that has greater spending power, creating demand for basic necessities and non-essential products. The increasing disposable income of Malaysia's population has a positive correlation on the demand for residential properties. During the same period of 2009 and 2013, the total value of residential property transactions increased from RM41.8 billion to RM72.1 billion. In 2014, the total value of residential property transactions was registered at RM82.1 billion.

Furthermore, in an effort to reduce the burden of the population and increase disposable income of the lower-income population, the Government has improved the *Bantuan Rakyat 1Malaysia* ("BR1M") to households and single individuals in line with a targeted subsidy programme whereby:

- BR1M to households with a monthly income of below RM3,000 will be increased from RM650 to RM950
- BR1M to households with a monthly income of between RM3,000 and RM4,000 will be increased from RM450 to RM750
- For single individuals aged 21 and above and with a monthly income not exceeding RM2,000, BR1M will be increased from RM200 to RM350

Malaysia launched the ETP (2011-2020) in 2010 with a goal to promote Malaysia into an inclusive and sustainable high-income country by the year 2020. The ETP is a comprehensive initiative comprising 131 high impact projects under 12 economic focus areas that have the potential to stimulate economic growth.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

The implementation of the ETP will allow Malaysia to be closer to achieving its goal of raising the disposable income of the population to approximately RM48,000 by 2020. In 2014, Malaysia achieved a GDP growth of 6.0%.

The potential growth opportunities for the residential property segment in Malaysia is underscored by the nation's economic potential as well as Government initiatives via economic plans, policies, programmes and stimulus, making Malaysia an attractive market for residential properties.

Key Supply Conditions**Rising cost of building materials and development costs impact construction costs**

The construction industry is expected to witness increased competition for raw materials and labour with the rollout of large infrastructure projects such as the MRT lines 2 and 3, high speed rail and six (6) toll highways for Selangor, which coincide with rising incoming supplies of properties in 2014/15 following strong launches in the last three (3) years. While some building material producers are expanding production capacity, major capacity enhancement projects take at least one (1) to two (2) years for completion. Recent hikes in fuel prices following subsidy withdrawals also will feed inflation as transportation costs increase. All of these factors could contribute to a rise in the cost of building materials.

Availability of land bank for future development

Large property developers acquire greenfield sites or large parcels of land to amass land bank in ensuring they have sufficient stock of land for future property developments. While holding a stockpile or bank of land can generate profits in a rising market, it can also lead to a downfall when real estate values contract, or when rising interest rates exceed holding costs.

The construction of infrastructure may require the government to acquire various private properties. Under the Land Acquisition Act 1960, a State authority may compulsorily acquire public property for any public purpose, for a purpose which the State authority considers beneficial to the economic development of Malaysia, and for mining, residential, agricultural, commercial, industrial, or recreational purposes, or a combination of such purposes. While the State authority is legally required to pay adequate compensation to the owner(s) of the private properties, the owner(s) may still be adverse to the compulsory land acquisition. Subsequently, this would result in a delay in the acquisition of the properties; a delay which may span over years. This delay would then delay the construction of the infrastructure in Malaysia.

Product/Service Substitution

There is no comparable substitute for construction services. However, industry players differentiate themselves through pricing, service specialisation and regional presence. Some construction industry players are able to offer bundled services, through the offering of integrated design, build, commissioning and completion expertise, or bundling of construction services together with building materials produced by their subsidiary and/or associate companies.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Reliance and Vulnerability to Imports

The construction industry in Malaysia has a certain degree of dependency on the imports of construction materials and metal and mineral products (such as steel, aluminium and copper) that are used to build residential, commercial and industrial properties. Malaysia's imports of construction materials and mineral products increased from RM3.4 billion to RM5.0 billion between 2009 and 2013 at a CAGR of 10.0% due to increased construction activities as a result of greater demand for properties. Between 2009 and 2013, the total value of awarded construction projects increased from RM74.9 billion to RM130.7 billion at a CAGR of 14.9%.

While building materials are subject to certain levels of imports, construction services are provided primarily by local construction companies, with the exception of selected large projects where foreign companies may be involved.

Imports of construction materials and mineral products ^a

Year	Import value (RM million)
2009	3,403.3
2010	4,339.7
2011	4,942.0
2012	4,909.0
2013	4,978.6
CAGR	10.0%

^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Relevant Laws and Regulations

The relevant laws and regulations pertaining to the construction of infrastructure, residential, commercial and industrial properties in Malaysia include, but are not limited to, the following:

Construction Industry Development Board Act 1994 (also known as Act 520)

The CIDB was established under the Construction Industry Development Board Act 1994 to promote, stimulate, regulate and standardise the construction industry, where specifically CIDB is granted power to accredit and register contractors and to cancel, suspend or reinstate the registration of any registered contractor. Under the Construction Industry Development Board Act 1994, no person is allowed to carry out and complete any construction works unless he is registered with the CIDB and holds a valid certification license issued by the CIDB. A penalty not exceeding RM50,000 shall be imposed on persons carrying out construction works without being registered by the CIDB. Persons that are carrying out construction works for the purpose of building a residence for his own use or who employs less than three (3) workers is exempt from registration with the CIDB. Persons/individuals, sole proprietors, partnerships, private limited companies, public limited companies and/or cooperatives must comply to and fulfil criteria prior to registration with CIDB.

The Certification of Registration issued by the CIDB is valid for a minimum period of one (1) year and a maximum term not exceeding three (3) years, unless cancelled, suspended or revoked earlier by the CIDB. There are three (3) categories of registrations, namely building construction, civil engineering construction and mechanical and electrical. The scope of registration can be further classified into seven (7) grades with each grade having different tendering capacity.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Construction industry in Malaysia – CIDB construction registration criteria

Grade	Tendering capacity	Paid-up capital/ net capital worth (RM)	Personnel technical requirement	Registration fee per annum (RM)	Processing fee (RM)
G1	Not exceeding RM200,000	5,000	<ul style="list-style-type: none"> Course certificate in construction-related fields/experience 	20	50
G2	Not exceeding RM500,000	25,000	<ul style="list-style-type: none"> Course certificate in construction-related fields/experience 	80	
G3	Not exceeding RM1,000,000	50,000	<ul style="list-style-type: none"> Course certificate in construction-related fields/experience 	150	
G4	Not exceeding RM3,000,000	150,000	<ul style="list-style-type: none"> 1 diploma holder in construction-related fields/degree holder with experience in construction works 	350	
G5	Not exceeding RM5,000,000	250,000	<ul style="list-style-type: none"> 1 degree holder in construction related fields or 1 diploma holder in construction-related fields/degree holder with minimum 5 years of experience in construction works 	700	
G6	Not exceeding RM10,000,000	500,000	<ul style="list-style-type: none"> 1 degree holder in construction related fields and 1 diploma holder in construction-related fields/degree holder, where 1 must possess minimum 3 years of experience in construction works 	1,000	
G7	No limit	750,000	<ul style="list-style-type: none"> 1 degree holder in construction related fields and 1 diploma holder in construction-related fields/degree holder where both must possess minimum 5 years of experience in construction works; or 2 degree holders in construction related fields, where 1 must possess minimum 5 years of experience in construction works 	1,400	

Source: Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

The Government had implemented the *Sistem Satu Pendaftaran Kontraktor* ("SSPK") with immediate effect from 15 October 2012. SSPK is a method that combines the registration procedures of CIDB and Construction Services Centre ("PKK"). Under the new system, all contractor licences issued by PKK in relation to participation in tenders called by the Malaysian Government authorities, statutory bodies, regulatory authorities or an entity that is otherwise regarded to be in the public sector are cancelled and replaced with *Sijil Perolehan Kerja Kerajaan* ("SPKK") issued by the CIDB. Nevertheless, the issuance of *Sijil Taraf Bumiputera* for the identification of *Bumiputera* status has remained under the control and supervision of PKK. The scope of registration for SPKK can be further classified into two (2) categories, namely civil engineering, building or mechanical and electrical with six (6) grades for each category. Each grade has different tendering capacity.

The Construction Industry Payment and Adjudication Act 2012

The Construction Industry Payment and Adjudication Act 2012 was enacted to facilitate regular and timely payment, provide a mechanism for speedy dispute resolution through adjudication, provide remedies for the recovery of payment in the construction industry, and provide for connected and incidental matters.

The Construction Industry Payment and Adjudication Act 2012 is applicable to all written construction contracts relating to construction works carried out wholly or partly in Malaysia, including construction contracts entered into by the Government. The Construction Industry Payment and Adjudication Act 2012 does not apply to construction contracts entered into by persons for construction works in respect of buildings less than four (4) storeys high and which is wholly intended for his occupation.

Mandatory Standards in Construction

The Department of Standards Malaysia ("STANDARDS MALAYSIA") develops, promulgates and promotes the adoption of Malaysian Standards ("MS"). STANDARDS MALAYSIA is responsible for policy and strategy and has appointed SIRIM Berhad to undertake implementation at the technical level. STANDARDS MALAYSIA has issued 48 mandatory standards for the building, construction and civil engineering category under ISC D, and eight (8) mandatory standards for mechanical engineering under ISC F. The ISC D primarily covers codes of practices and specifications for raw materials used in construction and ISC F includes safety rules for construction and installation.

Additionally, the CIDB in collaboration with other organisations including the Public Works Department, National Housing Department, Real Estate and Housing Developers' Association Malaysia ("REHDA"), Malaysian Institute of Architects, Master Builders Association Malaysia ("MBAM") and National House Buyers Association ("HBA") had issued its own construction industry standard known as CIS 7:2006 on Quality Assessment System for Building Construction Work. This standard specifies requirements on the quality of workmanship and assessment procedures for building construction work as part of the Quality Assessment System in Construction ("QLASSIC").

Factories and Machinery Act 1967

The Factories and Machinery Act 1967 provides for the control of factories with respect to matters relating to the safety, health and welfare of persons therein, the registration and inspection of machinery and for matters connected to it. The Factories and Machinery Act 1967 is applicable to the manufacturing, mining and quarrying, as well as construction industries.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

The Factories and Machinery Act 1967 mandates the appointment of Chief Inspector of Factories and Machinery and Deputy Chief Inspector of Factories and Machinery with the power to enter, inspect and examine any factory, and the machinery, plant and appliances contained therein. Failure to comply with any order lawfully provided by the inspecting Chief Inspector of Factories and Machinery or Deputy Chief Inspector of Factories and Machinery, or willful delay or willful withholding of information can result in a fine not exceeding RM5,000 or imprisonment of a term not exceeding two (2) years or both. The Factories and Machinery Act 1967 also makes specific provisions relating to the safety, health and welfare of employees in the manufacturing, mining and quarrying, as well as construction industries.

Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986

The Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986 applies to building operations and works relating to engineering construction undertaken as a trade or business. The Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986 makes specific provisions to ensure the safety of workers in construction. Failure to comply with the Factories and Machinery (Building Operations and Works of Engineering Construction) (Safety) Regulations 1986 shall result in a fine not exceeding RM2,000.

Employment Act 1955

The Employment Act 1955 stipulates the rights and welfare benefits that employees are entitled to, and which all employers are required to comply. The Employment Act also states that an employer is required to obtain a license to import legal foreign workers under the contract of services, and ensure their welfare and rights are fulfilled in terms of their wages, hours of work, rest days, and sick and annual leaves. The Ministry of Human Resource is responsible in monitoring and ensuring that companies are in compliance with the Employment Act 1965 and protects the welfare of employees.

Occupational Safety and Health Act 1994

All employers possess a general duty of care to the employees. In accordance with the Occupational Safety and Health Act 1994, employers need to ensure that the work site facilities and systems are practicable, safe and without risks or hazard to the employees' health and safety. It is also the obligation of the employer to provide employees with the training, knowledge, information and supervision, in providing a safe working environment without risks to their health, safety and welfare. The Department of Occupational Safety and Health ("DOSH") is authorised to ensure that companies have taken proper steps to ensure a safe working environment for their employees.

Environmental Quality Act 1974

The Department of Environment ("DOE") Malaysia is responsible for the implementation and monitoring of Malaysia's environmental regulations and policies. The Environmental Quality Act 1974 prohibits industrial activities which cause air, sound, soil, and water pollution without obtaining a valid license. Therefore, the burning of waste or rubbish or any open burning is prohibited without obtaining the necessary licenses or permits. Under this regulation, effluent is not permitted to be diluted, whether raw or treated, at any time or point after it is treated, without first obtaining a written authorisation which approves the effluent to be treated according to the terms and conditions of the authorisation.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER**Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987**

An environmental impact assessment study is mandatory for prescribed activities under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987. All prescribed activities need to obtain Environmental Impact Assessment ("EIA") approval from the Director General of Environment prior to the giving of approval by the relevant Federal or State Government authority for the implementation of the project. The approving authority is the Government Authority that has the task of deciding, whether or not a project should proceed. If a proposed venture is categorised as a prescribed activity under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 1987 (Appendix B), an EIA study needs to be conducted and the environmental impact assessment report has to be submitted to the Director General of Environmental Quality for approval. The project is not allowed to proceed unless approval of the environmental impact assessment report has been granted.

The construction of airports, drainage and irrigation (including dams and manmade lakes), land reclamation, fishing harbours, housing development, infrastructure (including hospitals, industrial development for medium and heavy industries, expressways, highways and new townships), ports, oil and gas facilities (including refineries and depots), power plants, railways, mass rapid transport projects, resort and recreational development and water supply (including dams and impounding reservoirs) are classified as prescribed activities.

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3 ANALYSIS OF THE PRECAST CONCRETE INDUSTRY IN MALAYSIA

Industry Performance, Outlook and Prospects

The precast concrete industry in Malaysia is an important component of the construction industry as it acts as a key building material in both building and infrastructure development. As such, over the years, demand for precast concrete is seen to be subject to factors driving the construction industry including Government support as well as private expenditure fuelling the construction sector. As the growth of the construction industry is driven by the economic performance of the country, significant increases and decreases in the GDP of the country influences demand for precast concrete products.

In the context of building construction, precast concrete is a form of Industrial Building System ("IBS"), where IBS is a construction process that utilises techniques, products, components, or building systems which involve prefabricated components and onsite installation. In Malaysia, the main IBS products used for building and infrastructure development are precast concrete framing, panel and box systems; steel formwork systems; steel framing systems; prefabricated timber framing systems; and block work systems.

Precast concrete industry in Malaysia – main IBS products used in Malaysia

IBS product category	Product range
Precast concrete framing, panel and box systems	Precast columns, beams, slabs, three (3) dimensional components (balconies, staircases, toilets, lift chambers) and permanent concrete formwork
Steel formwork systems	Tunnel forms, beams and columns moulding forms and permanent steel formworks
Steel framing systems	Steel beams and columns, portal frames and roof trusses
Prefabricated timber framing systems	Timber frames and roof trusses
Block work systems	Interlocking concrete masonry units and lightweight concrete blocks

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Interest in the adoption of precast concrete in Malaysia dates as far back as the 1960s following the initiation of an IBS or prefabrication pilot project in 1964 aimed at speeding up the delivery times of low cost or affordable housing projects. In the early days, precast concrete solutions were used in the construction of several residential properties, including the 17-storey flats along Jalan Pekeliling, Kuala Lumpur, using precast concrete walls and plank slabs; six (6) blocks of 17 storey-flats, and three (3) blocks of 18 storey-flats at Jalan Rifle Range, Penang, using IBS precast concrete components and building systems; and Perbadanan Kemajuan Negeri Selangor's low cost housing and high cost bungalow projects comprising 3,000 residential units across the state of Selangor, using precast concrete technology.

Since the 1990s, precast concrete components were used for the construction of several large building and infrastructure development such as the Kuala Lumpur Convention Centre using steel framing and trusses with precast concrete slabs, LRT using steel structures and precast concrete hollow cores, Kuala Lumpur Sentral using steel structures and precast hollow cores, Kuala Lumpur Tower using climbing formwork and steel beams, Kuala Lumpur International Airport using steel roof structures and formwork system for slabs, Petronas Twin Towers using climbing formwork, steel beams and steel decking for slabs, several administration buildings in Putrajaya and Cyberjaya using precast concrete components, and the

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

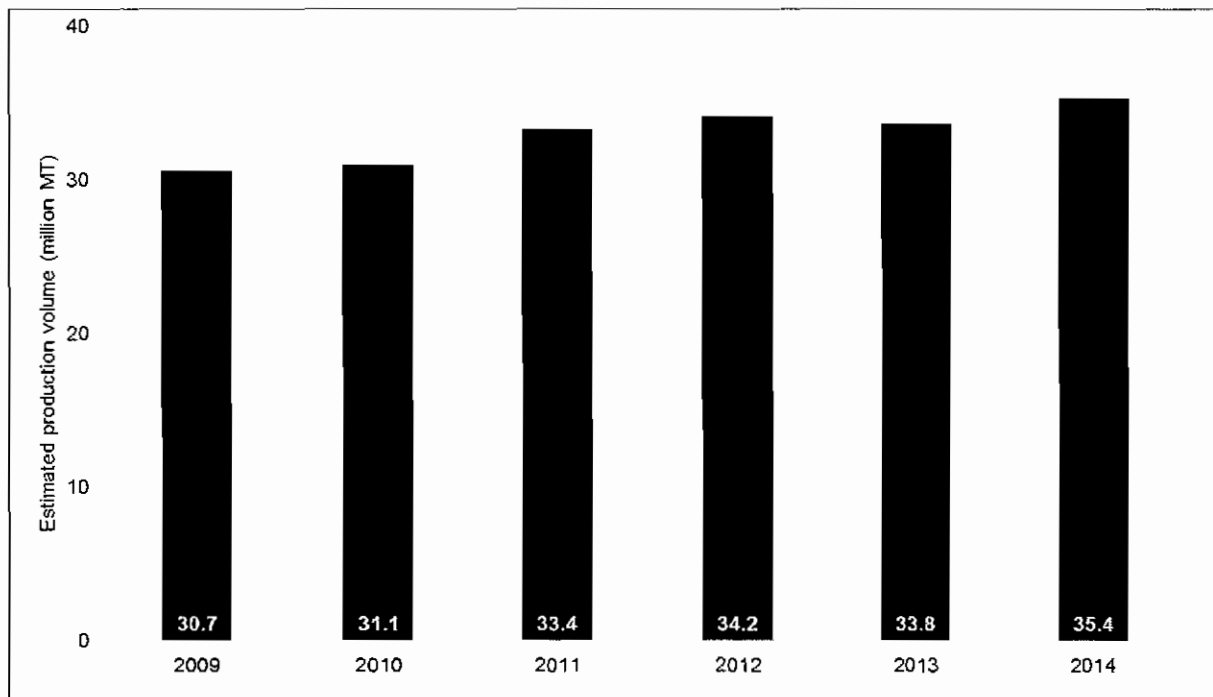
SMITH ZANDER

electrification of double track project from Ipoh, Perak, to Padang Besar, Perlis, using precast concrete sleepers.

The industry size for concrete, including precast concrete products, based on estimated production volume, increased from an estimated 30.7 million metric tonnes ("MT") in 2009 to 33.8 million MT in 2013 at a CAGR of 2.4%. Concrete production volume, including precast concrete products, increased from an estimated 30.7 million MT in 2009 to 35.4 million MT in 2014 at a CAGR of 2.9%. This production volume is estimated based on cement output and includes total concrete products, including ready-mix concrete, precast concrete and other concrete products. Between 2010 and 2012, precast concrete products accounted for an annual average of 23.7% of total concrete products.

The demand for concrete was largely generated by the launch of several construction projects under the 10MP and the ETP. The positive wave from the launch and commencement of construction of projects under the 10MP and the ETP, and impact of these launches continued to be witnessed in 2011 and 2012. In 2013, the industry registered a slight decrease in demand for concrete as construction activities, particularly in infrastructure development, went through a period of consolidation as several major projects such as the Klang Valley MRT project and LRT 2 projects commenced that year.

Precast concrete industry in Malaysia – estimated concrete production volume, including precast concrete products



Source: Extracted from the independent market research report prepared by SMITH ZANDER

SMITH ZANDER forecasts the concrete industry, including precast concrete products, to grow from 35.4 million MT in 2014 to 39.1 million MT in 2017 representing a CAGR of 3.4%. SMITH ZANDER also expects the percentage contribution of precast concrete products to total concrete products to grow further as end-users become more aware of the advantages it holds over ready-mix concrete. Furthermore, the precast concrete products segment is also expected to benefit from the goals of the IBS Roadmap (2011 – 2015)

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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that mandates sustaining 70.0% IBS content for all public sector building projects through to 2015 and increasing the IBS content to 50.0% for private sector building projects by 2015.

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7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

4 ANALYSIS OF THE CONSTRUCTION INDUSTRY IN SINGAPORE

Industry Performance, Outlook and Prospects

Economic Contribution

As the regional hub for the Association for Southeast Asian Nations ("ASEAN") region, Singapore's economy has illustrated stable and promising trends in the past. Between 2009 and 2013, the country's GDP grew at a healthy CAGR of 7.4%, from SGD279.9 billion in 2009 to SGD372.8 billion in 2013.

The economic growth in Singapore has consequently spurred the growth of its construction industry. As the construction industry is essential to sustaining the development of the country and supporting the growth of the other sectors such as manufacturing, trade, transportation, finance and business services, the construction industry in Singapore illustrated a healthy upward trend in light of the growth of these other major sectors in Singapore. The GDP for the construction industry in Singapore grew from SGD15.0 billion in 2009 to SGD17.2 billion in 2013 at a CAGR of 3.5%.

Construction industry in Singapore – key economic statistics ^a

Year	National GDP (SGD million)	Construction industry GDP (SGD million)	Construction industry's contribution to national GDP (%)
2009	279,858.0	14,997.4	5.4
2010	322,361.1	14,221.2	4.4
2011	344,712.4	14,826.9	4.3
2012	358,542.6	16,028.1	4.5
2013	372,813.9	17,227.5	4.6
CAGR	7.4%	3.5%	Not applicable

^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Employment

The construction industry also creates job opportunities in Singapore, thus contributing to the socio-economic development of the nation. The percentage of employees in the construction industry in Singapore grew from 12.6% to 13.7% over a span of five (5) years between 2009 and 2013. Total employees in the construction industry increased at a rate of 6.0% between 2009 and 2013.

Construction industry in Singapore – employment statistics ^a

Year	Total employment ('000)	Employment in the construction industry ('000)	Percentage employment in the construction industry (%)
2009	2,990.0	377.3	12.6
2010	3,105.9	380.7	12.3
2011	3,228.5	402.7	12.5

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7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

Year	Total employment ('000)	Employment in the construction industry ('000)	Percentage employment in the construction industry (%)
2012	3,357.6	441.8	13.2
2013	3,493.8	477.1	13.7
CAGR	4.0%	6.0%	Not applicable

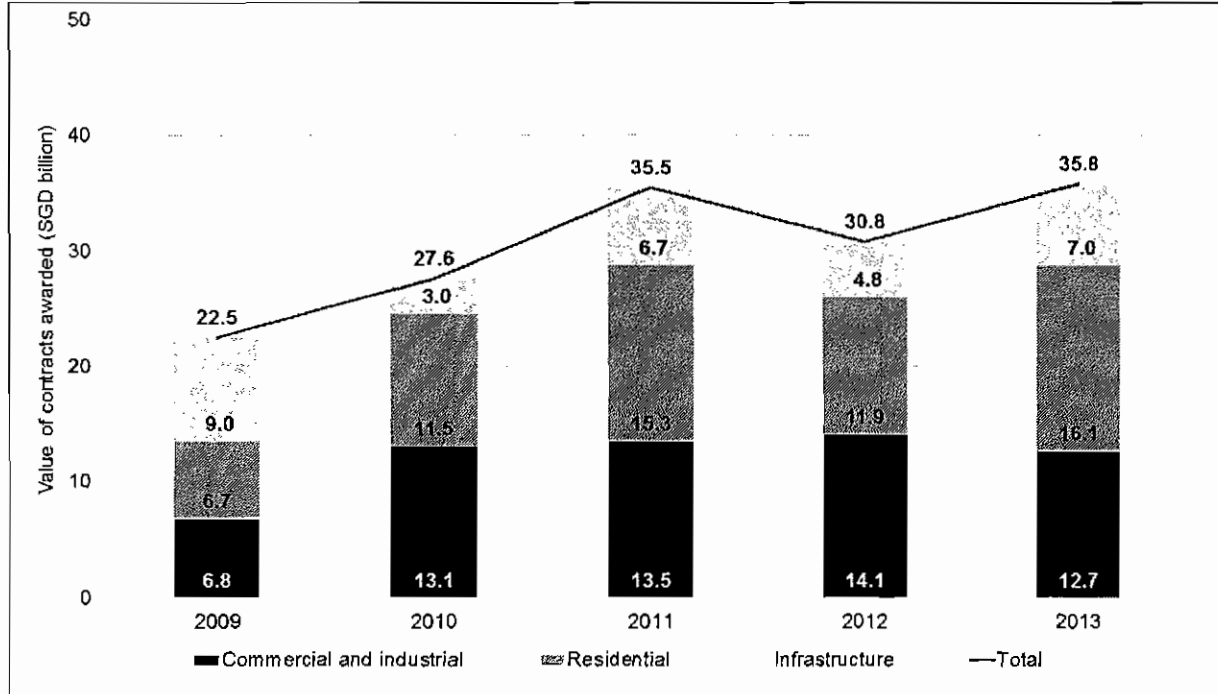
^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Value of Contracts Awarded

The construction industry in Singapore, measured in terms of value of contracts awarded, grew from SGD22.5 billion in 2009 to SGD35.8 billion in 2013 at a healthy CAGR of 12.3%. Singapore's awarded construction contract value witnessed a surge in 2010 compared to 2009 as the nation recovered from the global financial crisis, and construction activities resumed in the commercial and industrial, and residential property sectors. Construction demand in the subsequent years remained strong, underpinned by a growing economy. During this period, new homes were constructed across the island to meet demand, new offices were built as the nation strived to improve its position as a regional centre for trade and commerce, and new facilities were rolled-out to enhance the quality of life in the country.

Construction industry in Singapore – value of contracts awarded ^a



^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

The construction industry in Singapore is largely spurred by residential development. Home ownership has been a key pillar for nation building since Singapore's independence in 1965. Between 2009 and 2013, residential construction activities increased from SGD6.7 billion to SGD16.1 billion at a CAGR of 24.5%. In 2013, residential development formed the largest proportion of construction activities in Singapore at 45.0%. This is owing to the growing demand for residential development which has not been adequately met due to limited land space available in the country.

Public residential development in Singapore is spearheaded by the Housing & Development Board ("HDB") that plans and develops public housing townships to provide the population with quality homes and living environments. The HDB is a statutory body under Singapore's Ministry of National Development. Approximately 80.0% of the nation's housing stock is public sector, comprising HDB direct sales that is subsidised new public housing only available to Singaporean citizens, and the HDB secondary market that represents the resale of public housing after a number of years at current market prices. The latter is available to both citizens and permanent residents. The remaining stock is private housing market that is not subsidised or directly regulated by the Government of Singapore.

HDB also develops and maintains commercial and industrial properties, and car parks. To help build sustainable communities, HDB plans towns with a comprehensive range of facilities to meet residents' needs. These include recreational and community facilities such as neighbourhood parks and children's playgrounds in its housing estates.

Singapore's public housing system is a unique model where home ownership provides every person with a tangible stake in the nation. The Government provides mortgage financing for potential buyers in an effort to ensure that public housing remains affordable. Low-income families also receive additional assistance through the Additional Housing Grant to buy their first flat. Selected low-income families that are unable to afford homes are offered rental flats at heavily subsidised rates. Residents who have owned their properties for more than five (5) years are free to sell it in the open market. Throughout HDB townships, potential buyers have six (6) different flat types to choose from, and buyers have the option of customising the interior by choosing different features or materials.

Between 2009 and 2013, the total number of completed public housing units increased from 1,769 units to 12,744 units at a CAGR of 63.8%. Public housing was ramped up over the period of 2009 and 2013 as HDB sought to satisfy demand for new flats. Residential development projects were brought forward as affordable housing was an issue raised by the electorate in the May 2011 general elections. HDB raised the number of build-to-order ("BTO") units from the initial 22,000 units to 25,000 units commencing 2011 as an effort to stabilise housing demand following the Government's move of raising the income ceiling for those eligible for HDB and executive condominium flats. Under BTO, tenders for construction on identified sites will only be called after demand exceeds 70.0% of the total offered housing units.

Post the global financial crisis, HDB built more public housing units in newer towns such as Punggol, and additional flats in mature estates such as Kallang/Whampoa and Tampines to provide more choice and meet demand. In 2010, HDB launched 12 BTO exercises comprising 24 projects with a total of 17,284 units. HDB launched approximately 50,000 units over 2011 and 2012 across Singapore to meet the increasing demand for affordable housing. In 2011, HDB also launched My Waterway@Punggol, a sustainable green living township comprising 42,000 housing units and the rejuvenation and upgrading works under the Remaking our Heartland ("ROH") programme in East Coast, Jurong and Hougang. In 2013, HDB launched broad development plans for three (3) new housing areas, namely Bidadari, Tampines and Punggol Matilda.

In 2010, prospective buyers also had the option of purchasing properties from the private sector where households earning between SGD8,000 and SGD10,000 were allowed to buy new flats under the Design, Build & Sell Scheme ("DBSS") with a housing grant from Central Provident Fund ("CPF"). Six (6) new DBSS sites with 3,800 units were launched for sale to developers in Tampines, Bedok, Upper Serangoon, Yuan

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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Ching, Clementi and Pasir Ris. As at end 2013, there were a total of 289,370 units of private housing in Singapore of which 18,003 units were vacant.

In January 2014, Singapore's Minister for National Development announced the planned construction of an additional 80,000 units of public housing over the next three (3) years. Under Budget 2014, Singapore's Ministry of National Development allocated SGD484.0 million for the upgrading of HDB public housing precincts, where investments will be made to improve access and upgrade lifts in older HDB developments which will benefit an estimated 50,500 units, and completion of 17,900 units and 20,900 units under HDB's Home Improvement Programme ("HIP") and Neighbourhood Renewal Programme ("NRP") respectively.

Construction industry in Singapore – key statistics of public housing development ^a

Year	Public housing				
	Under HDB management (units)	Under construction (units)	Completed (units)	Sold under Home Ownership Scheme (units)	Percentage of population living in public housing (%)
2009	888,143	31,058	1,769	4,419	82.0
2010	898,532	35,635	7,050	6,299	82.0
2011	914,102	47,282	12,962	12,560	82.0
2012	922,493	64,633	19,005	14,057	83.0
2013	933,278	77,436	12,744	12,197	82.0
CAGR	1.2%	25.7%	63.8%	28.9%	Not applicable

^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Meanwhile, commercial and industrial construction grew at a rate of 16.9% between 2009 and 2013 where construction project value increased from SGD6.8 billion to SGD12.7 billion during the said years. Post 2009, new office blocks with enhanced features were erected across Singapore's central business district as developers capitalised on the healthy business environment and attractive rental yields. The Marina Bay Financial Centre which was completed in 2012 was the country's largest office development with three (3) office towers offering nearly 3.0 million square feet ("ft²") of office space, two (2) residential towers and shops. During this period, construction works also commenced on One Raffles Place (Tower 2) on the site of the previous OUB Centre, and the Asia Square twin towers mixed-development in Marina Bay. Collectively, these projects target to being on-stream approximately 7.0 million ft² of office space between 2011 and 2015. Several healthcare projects were also awarded during this period such as the Ng Teng Fong Hospital and an Integrated Building for Changi General Hospital and Saint Andrew Community Hospital. Educational projects awarded during this period include the Yong Loo School of Medicine, Singapore University of Technology and Design Phase 1 and Yale-NUS College.

Contracts awarded for infrastructure and social amenities construction in Singapore declined from SGD9.0 billion to SGD7.0 billion between 2009 and 2013 as major infrastructure projects were awarded in the earlier period, resulting in a higher base for the year 2009. In an ongoing effort to promote public transportation, Singapore stepped up the expansion of its MRT system. The Government targets to spend approximately SGD60.0 billion to double the train network to 280 km by 2020, improving public accessibility to the MRT system. During the period of 2009 and 2013, the Government focused on the Downtown line ("DTL") which connected the city centre to north-west, linking the Marina area through Bugis and Newton along Bukit Timah and all the way to Bukit Panjang. The DTL1 that connects Bugis to Chinatown commenced

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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operations in December 2013, while DTL 2 that extends the MRT line to north-west is scheduled to commence operations in 2016 and DTL 3 that connects Singapore Expo to River Valley is slated to commence operations in 2017. Construction work was also carried out on extending existing lines, including the North-South Line to reach the Marina Bay area, and the East-West Line into Tuas.

SMITH ZANDER forecasts the construction industry in Singapore to increase in terms of awarded contract value, from SGD35.8 billion in 2013 to SGD53.0 billion in 2017 at a CAGR of 10.3%. All construction segments are expected to witness growth over the forecast period, as demand for these properties will be driven by economic growth, population increase and supporting Government plans and policies. Moving forward, the infrastructure and social amenities sector is expected to continue to be strongly driven by public expenditure. The Urban Redevelopment Authority of Singapore has introduced the Concept Plan 2011 and the Master Plan 2014 with aims to promote the social well-being and increase the standard of living in Singapore. Some of the identified projects under these plans include the Garden in a City project and the upgrading and construction of bus stops. In addition, the Healthcare 2020 Masterplan will continue to make healthcare more accessible to the citizens. More hospitals are in the midst of construction and are expected to commence operations within the next five (5) years, including Ng Teng Fong General Hospital, Jurong Community Hospital and Sengkang General and Community Hospitals.

The Government of Singapore also has plans to continue to invest heavily on land transportation to upgrade and enhance the transportation infrastructure. The Land Transport Authority intends to increase the country's MRT network to 360 km by 2030, consisting of projects such as the Jurong Region line and Cross Island line as well as the Thomson line and Cross Island Line. Apart from that, there are also initiatives driven by the Government of Singapore to further develop the tourism industry in Singapore. The Government through the Singapore Tourism Board ("STB") aims to place emphasis in growing the tourism industry in Singapore. As such, it is expected that there will be greater focus on the development of new tourist destinations over the forecast period starting with the new Changi Terminal 4 airport.

Growth in Singapore's construction industry will continue to create demand for building materials and specifically precast concrete products which are primary raw materials for building development. Thus, the demand for precast concrete products is expected to experience growth, benefiting industry players involved in the rest of the value chain including concrete manufacturers and suppliers.

Construction industry in Singapore – selected upcoming major property developments

Location	Project	Type of development	Estimated project value (SGD million)
Changi	Project Jewel	Mixed-used	1,470.0
Punggol	Watertown	Residential	1,600.0
Woodlands	HDB building works	Residential	204.5
Sembawang	HDB building works	Residential	188.0
Yishun	HDB building works	Residential	149.8
Punggol West	HDB building works	Residential	94.8
Pasir Panjang	Pasir Panjang Terminal Phases 3 and 4	Industrial	3,500.0
Loyang	Loyang bus depot	Industrial	61.2
Jurong Island	Energy Market Authority's storage tank for a liquefied natural gas terminal	Industrial	638.00
Kallang	Singapore Sports Hub	Social amenities	1,330.0
Islandwide	Upgrading and construction of bus stops	Transportation	23.4

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**SMITH ZANDER**

Location	Project	Type of development	Estimated project value (SGD million)
Sengkang	Sengkang General Hospital and Sengkang Community Hospital	Social amenities	1,911.5
Jurong	Ng Teng Fong General Hospital and Jurong Community Hospital	Social amenities	700.0
Islandwide	Gas transmission pipelines from Jalan Bahar to Old Choa Chu Kang Road	Utilities	13.7
Islandwide	Cycling Masterplan	Transportation	43.2
Islandwide	Downtown MRT Line	Transportation	1,400.0
Islandwide	Thomson MRT Line	Transportation	18,000.0
Islandwide	Marina Coastal Expressway	Transportation	4,300.0
Banyan Basin, Jurong Island	Jurong Rock Caverns	Infrastructure	200.0
Changi	Changi Airport Terminal 4	Transportation	985.0

Source: Extracted from the independent market research report prepared by SMITH ZANDER

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5 ANALYSIS OF THE PRECAST CONCRETE INDUSTRY IN SINGAPORE

Industry Performance, Outlook and Prospects

In the 1970s, the use of precast concrete products was largely limited to civil engineering works such as pipes, piles, blocks and precast beams for bridges. Precast concrete components for buildings gained popularity in the early 1980s when HDB introduced large-scale industrialisation in its public housing programme. The industrialisation programme in public housing led to the award of several contracts to foreign contractors between 1981 and 1983. Most of these projects extensively used precast concrete including precast beams, frames, walls, slabs, refuse chutes and staircases. Due to high standardisation and repetition, higher productivity became possible compared to conventional designs as a result of shorter construction time and economies of scale.

Upon completion of the initially awarded contracts under the industrialisation programme, HDB shifted its emphasis onto low volume flexible prefabrication. Precast components such as refuse chutes, staircases, parapet walls were increasingly used in HDB constructions. While precast products also began to find its way into the non-HDB construction sector during this period, public housing was a dominant market for precast concrete products.

Singapore implemented mechanised construction nationwide in 1984 to improve productivity in construction through the use of precast concrete components and prefabricated reinforcements. In 1992, the HDB established the Prefabrication Technology Centre ("PTC") to champion and implement then innovative improvements in precast construction technology and components such as long-bed production of precast prestressed planks, battery moulded multicell production systems and ferrocement cladding systems.

Construction of the first 40-storey apartment blocks in Singapore was completed in 2005 adopting construction technology to improve quality, safety and productivity. The first fully precast 40-storey public housing development in Singapore using HDB's modular Precast Column Beam System ("PCBS") comprised four (4) blocks in Toa Payoh Lorong 2. The PCBS's precast components of columns, beams, slabs, household shelters, facades, internal walls and volumetric toilet, came complete with tiling, sanitary wares, light fittings and fixtures. Components were also designed to be light for ease of site installations for buildings of that height. The extensive use of precast and prefabrication technology together with a mechanised construction system eliminated labour-intensive work such as plastering, carpentry and bar tying. These improvements, together with less physically demanding work for the workers contributed to a conducive and safe working environment.

Singapore's National Productivity and Continual Education Council ("NPCEC") endorsed the Construction Productivity Roadmap in November 2010 to promote productivity in the construction sector. The Construction Productivity Roadmap's vision is to build a highly integrated and technologically advanced construction sector led by progressive firms and supported by a skilled and competent workforce by 2020. The Construction Productivity Roadmap seeks to address the challenges of easy availability of low cost and transient foreign workers and steer the construction industry towards greater adoption of higher buildable design and labour-efficient technology. Regulatory requirements such as lower quota for foreign workers, increase in foreign worker levy and Buildability Framework puts responsibility on developers, architects, engineers and builders to consider a wider range of construction systems, methods, technologies, materials and products to meet the requirement for minimum Buildable Design Score and Constructability Score before construction can commence and Temporary Occupation Permit is given. In view of this, modular and repetitive designs and off-site fabrications such as precast concrete, steel structures and unitised curtain walls are now receiving a wider adoption in Singapore. Today, approximately 70.0% of building components in public housing are precast concrete components.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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The demand for precast concrete products is primarily generated from residential construction projects which formed the largest component of construction activities in Singapore in 2013. Specifically, demand for precast concrete components are driven by public housing development projects. Thus the industry size for precast concrete is measured on the basis of public housing units completed and under construction in Singapore on an annual basis. Public housing units under construction increased from 31,058 units to 77,436 units between 2009 and 2013 at a CAGR of 25.7%, while completed units increased from 1,769 units to 12,744 units over the same period at a CAGR of 63.8%.

Post 2009, HDB housing was developed in newer towns such as Punggol and in mature estates such as Kallang/Whampoa and Tampines to provide more choice and meet demand stemming from the population. HDB launched 12 BTO exercises comprising 24 projects with a total of 17,284 units in 2010, and in subsequent years 2011 and 2012, launched approximately 50,000 units across Singapore. Additionally in 2011, My Waterway@Punggol, a sustainable green living township comprising 42,000 housing units was launched by HDB. My Waterway@Punggol will see the projected 42,000 housing units completed in phases till 2015, making it one (1) of Singapore's largest towns. Several rejuvenation and upgrading works were launched under the ROH programme in East Coast, Jurong and Hougang. HDB also announced broad development plans for three (3) new housing areas, namely Bidadari, Tampines and Punggol Matilda in 2013. HDB intends to construct an additional 80,000 units of public housing over the next three (3) years.

Precast concrete industry in Singapore – HDB under construction and completed units ^a

Year	Public housing	
	Under construction (units)	Completed (units)
2009	31,058	1,769
2010	35,635	7,050
2011	47,282	12,962
2012	64,633	19,005
2013	77,436	12,744
CAGR	25.7%	63.8%

^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

The Government recently announced several new measures such as mandating the adoption of modular construction techniques on government land, investments of SGD55.0 million into a dedicated Construction Productivity and Capability Fund to help firms adopt new technologies and develop their workforce, and skills enhancement courses to alleviate the developers, consultants and contractors in the latest approaches to virtual design and construction technologies and techniques.

Modular construction, also known as design for manufacture and assembly ("DfMA") or prefabricated prefinished volumetric construction ("PPVC"), involves assembling building components, including whole rooms, in offsite factories and lifting them into position onsite. The approach is widely believed to be faster, safer, and to provide more predictable quality. Modular construction is being adopted on a limited scale in four (4) projects in Singapore, the Green Gallery at Singapore Botanic Gardens, a student hostel at Nanyang Technological University, an extension to the Crowne Plaza Changi Airport Hotel, and the Canberra Drive scheme. The Canberra Drive scheme comprises 12-storey towers with a total of 636 units of executive condominiums, and this scheme will be built using 3,300 building modules. The Building and

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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Construction Authority believes the Canberra Drive scheme to be the largest application of volumetric modular building in the world.

The Building and Construction Authority plans to launch two (2) more integrated construction and precast hubs ("ICPH") in 2014. The ICPH is a highly-automated, multi-storey factory for producing precast concrete building elements such as staircases, plus volumetric modules such as bathrooms. The first ICPH contract was awarded in 2013 in for a compact, five (5) storey, 32,600 m² factory in Kaki Bukit, Singapore. These ICPH projects are intended to build native off-site manufacturing capacity and promote the adoption of large-scale building modularity in the country.

Competitive Landscape

Singapore's construction industry is characterised by sub-contracting. Tenders for public housing construction are awarded by HDB to qualifying property developers, who then carry out construction activities together with their team of sub-contractors. These sub-contractors may be engaged for either the manufacture, supply and/or installation of semi-finished or finished building components. There are presently 43 industry players that are involved in the manufacture and supply of precast concrete components for construction projects in Singapore, with several industry players largely focused on the manufacture and supply of precast components for public housing projects.

Sunway Concrete Products (S) Pte Ltd, a wholly-owned subsidiary of Sunway Construction Group Berhad, primarily manufactures and supplies precast concrete components for public housing in Singapore. In 2013, Sunway Concrete Products (S) Pte Ltd manufactured and supplied precast concrete components for a total of 2,498 HDB units, out of 77,436 HDB units under construction in Singapore in that year, resulting in a market share of 3.2%.

Precast concrete industry in Singapore – industry players categorised by license grades as at 31 May 2015

L1 Tendering limit up to SGD0.7 million	<ul style="list-style-type: none"> ▪ BBR Construction Systems Pte Ltd ▪ China Civil (Singapore) Pte Limited ▪ E-Force Engineering Private Ltd ▪ Group Industries Pte Ltd ▪ ICPH International Pte Ltd ▪ Joe Green Pte Ltd ▪ Jurong Primewide Pte Ltd ▪ Nam Kee Cement Products Pte Ltd ▪ SEF Engineering Solutions Pte Ltd ▪ SPC Industries Sdn Bhd, Singapore branch ▪ Teambuild Engineering & Construction Pte Ltd ▪ Utracon Structural Systems Pte Ltd
L2 Tendering limit up to SGD1.4 million	<ul style="list-style-type: none"> ▪ Intac Systems Solution Pte Ltd ▪ Projalma Sdn Bhd, Singapore branch
L4 Tendering limit: up to SGD7.0 million	<ul style="list-style-type: none"> ▪ Bilcon Industries Pte Ltd ▪ Bolsen Cement Products Pte Ltd ▪ Concrete Innovators Co Pte Ltd ▪ Eng Seng Cement Products (Pte) Ltd ▪ Eng Seng Tech Pte Ltd ▪ Jin Cheng Pte Ltd ▪ PPI Engineering Pte Ltd

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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L5 Tendering limit: up to SGD14.0 million	<ul style="list-style-type: none"> ▪ Prefab Technology Pte Ltd ▪ CAA Technologies Pte Ltd ▪ Ed Zublin AG, Singapore branch ▪ Eng Lee Engineering Pte Ltd ▪ Jeks Engineering Pte Ltd ▪ Pay Ah Heng Contractor Pte Ltd ▪ Robin Village Development Pte Ltd ▪ Singapore Pre-cast Pte Ltd
L6 Tendering limit: unlimited	<ul style="list-style-type: none"> ▪ Ces-Precast Pte Ltd ▪ Chip Eng Seng Contractors (1988) Pte Ltd ▪ Contech Precast Pte Ltd ▪ Eastern Pretech Pte Ltd ▪ Econ Precast Pte Ltd ▪ Excel Precast Pte Ltd ▪ Fonda Global Engineering Pte Ltd ▪ G & W Precast Pte Ltd ▪ HL Building Materials Pte Ltd ▪ Hor Kew Private Limited ▪ Poh Cheong Concrete Product Pte Ltd ▪ Qingjian Precast Pte Ltd ▪ Sunway Concrete Products (S) Pte Ltd ▪ Syscon Pte Ltd

Source: Extracted from the independent market research report prepared by SMITH ZANDER

Demand Conditions – Key Demand Drivers

Ongoing plans and policies by the Government to develop and offer affordable housing to the population creates demand for residential construction

The HDB was established as the public housing authority of Singapore and tasked with the mission to provide affordable homes of quality and value, create vibrant and sustainable towns, and promote the building of active and cohesive communities. HDB also develops and maintains other facilities, namely commercial and industrial properties, and car parks. To help build sustainable communities, HDB plans towns with a comprehensive range of facilities to meet residents' needs. These include recreational and community facilities such as neighbourhood parks and playgrounds in its housing estates.

The Home Ownership for the People Scheme was introduced in 1964 to enable citizens to acquire long-term assets through the purchase of HDB flats. In 2013, 12,197 flats were sold under this scheme. Currently, some 82.0% of the resident population live in Home Ownership flats. In October 1994, HDB implemented the Central Provident Fund ("CPF") Housing Grant Scheme to strengthen family ties by giving a housing grant to first-time citizen families to buy a resale flat that is in the same town or estate or within two (2) km of their parents' flat. A two-tier grant system was subsequently implemented in August 1995. The higher-tier grant is applicable to first-timer families who buy resale flats to live together with or near their parents, while the lower-tier grant is applicable to first-timer families who buy any resale flat. The scheme was extended to the purchase of executive condominiums in August 1995 and to single citizens in June 1998 to help them buy resale flats. In April 2008, the higher-tier Singles Grant was introduced for single citizens to buy resale flats to live with their parents for mutual care and support.

HDB offers a number of schemes to help low-income families own HDB flats. These include the sale of flats to rental tenants, and the rental and purchase of three (3) room flats. HDB also started offering smaller flat types, which are the new two (2) and three (3) room flats, under the BTO system in July 2006 and August

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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2004 respectively. Additional assistance is provided to lower-income households buying their first flats via the Additional CPF Housing Grant ("AHG") Scheme implemented in March 2006. The scheme was enhanced in August 2007 and February 2009 to provide greater assistance to lower-middle income families.

In March 2011, a new Special CPF Housing Grant ("SHG") was also introduced for eligible first-time households earning no more than SGD2,250 a month to help them buy their first flat. This SHG is over and above the regular housing subsidy and the AHG.

To ensure continual rejuvenation and vibrancy of the HDB townships, the ROH initiative was developed as a new comprehensive blueprint to renew and further develop these towns and estates. Punggol, Yishun and Dawson were selected as the pilot batch in 2007. The plans and proposals for these pilot towns and estates are at various stages of implementation. In 2011, Hougang, East Coast, and Jurong Lake areas were selected for ROH as they have good potential for a comprehensive makeover. The ROH plans for these towns and areas share four (4) common themes, namely rejuvenation of the town centre' outdoor recreational choices; improved connectivity; and heartland heritage. The plans and proposals for these towns and areas are at various stages of implementation.

Launched in 1995, Selective En bloc Redevelopment Scheme ("SERS") is part of the Government's Estate Renewal Strategy to enhance the living environment of older HDB estates. Under the scheme, selected old blocks of sold flats are redeveloped en bloc to optimise land use. Residents involved are given an opportunity to move to new flats with fresh 99-year leases and a better living environment served by modern facilities. With the rehousing of the residents en bloc, SERS enables residents to preserve the family and community ties built over the years. The injection of new developments helps to rejuvenate the old estates as well as revitalize the demographic and economic profiles of the residents as younger residents move into these estates. As at the end of 2013, more than 35,800 sold flats in 78 sites had been selected for SERS.

In 2013, HDB launched the broad development plans for three (3) new housing areas, namely Bidadari, Tampines North and Punggol Matilda. Five (5) key ideas will guide the development plans of the three (3) areas, namely distinctive housing districts with unique identities; green housing districts with community gardens and abundant greenery; vibrant community spaces to encourage community activities; rekindling memories to form new ties and communities; and promoting a healthy lifestyle with well-connected cycling and pedestrian networks. The implementation of these new urban design concepts will add to the vibrancy of the Singapore housing landscape, and characterise the next generation of public housing.

Growth in construction activities drives the demand for precast concrete components

The construction industry in Singapore, measured in terms of total industry project value awarded, grew from SGD22.5 billion in 2009 to SGD35.8 billion in 2013 at a CAGR of 12.3% and is further forecast to grow to SGD53.0 billion, registering a CAGR of 10.3% between 2013 and 2017. The construction industry in Singapore is largely spurred by residential development. Home ownership has been instrumental in building the nation since its independence. The total number of completed public housing units increased from 1,769 units in 2009 to 12,744 units in 2013 at a CAGR of 63.8%, and comprised the largest proportion of construction activities in Singapore in 2013 at 45.0%. This is due to the growing demand for residential development which has not been adequately met due to limited land space available in the country. In 2013, HDB launched development plans for the Bidadari, Tampines North and Punggol Matilda housing areas. The Minister for National Development further announced the planned construction of an additional 80,000 units of public housing over the next three (3) years, thereby indicating positive demand for precast concrete components for public housing over this period.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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In an effort to improve accessibility to healthcare, the Government is constructing more hospitals under Healthcare 2020 Masterplan, several of which are expected to commence operations within the next five (5) years, including Ng Teng Fong General Hospital, Jurong Community Hospital and Sengkang General and Community Hospitals. The Government also intends to upgrade and enhance the transportation infrastructure in Singapore by increasing the country's MRT network to 360 km by 2030, through the construction of new and expanded transportation lines including the Jurong Region line and Cross Island line as well as the Thomson line and Cross Island Line. In developing tourism, a greater focus will be placed on the development of new tourist destinations in the near future starting with the new Changi Terminal 4 airport.

These developments in Singapore's construction industry is expected to drive demand for concrete products as these products are among the key raw materials utilised in the construction industry.

Rising income levels creating demand for property and real estate

The demand for concrete products is dependent on the growth of the construction industry, which in turn is largely influenced by economic conditions. As Singapore continues to achieve economic growth, its population enjoys higher disposable income, leading to greater demand for capital goods such as property and real estate. The number of construction projects will continue to increase in line with consumer demand, creating increased demand for building materials.

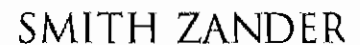
Singapore's GNI increased from SGD266.9 billion in 2009 to SGD363.8 billion in 2013 at an impressive CAGR of 8.1%. This has consequently led to an increased demand for property, resulting in construction projects increasing in tandem to meet this demand. This is witnessed in the growth of residential development from SGD6.7 billion in 2009 to SGD16.1 billion in 2013 at a CAGR of 24.5%.

Plans, policies and stimulus that drive the adoption of precast concrete in the construction sector

Property developers play an integral role in influencing productivity improvement in the building materials industry, including the precast concrete industry, when building designs incorporate high-impact productive technologies. In Budget 2014, the Government of Singapore announced the mandatory use of prefabricated prefinished construction and prefabricated bathrooms by property developers in tender conditions for selected Government Land Sales ("GLS") and Industrial Government Land Sales ("iGLS") sites. Property developers will be further incentivised to adopt productive technologies for non-GLS site developments. Additionally, HDB will further optimise the use of precast and prefabricated components in upcoming development projects.

The construction of conventional bathroom units are labour intensive and involve multiple on-site trade expertise, including water proofing, tiling, plumbing, electrical works and sanitary ware installation. Prefabricated bathroom units are manufactured and pre-assembled in a factory setting prior to delivery and installation on the construction site. The three (3) common types of prefabricated bathroom units are full precast concrete; steel panel wall and concrete floor tray; and cement board wall and either concrete or fibre glass floor tray. Prefabricated bathroom units may be delivered to the construction site in the form where wall panels and floor trays are pre-assembled in an offsite factory as a complete unit and delivered for installation on the construction site; or wall panels and floor trays are fabricated separately in an offsite factory setting and assembled together on the construction site prior to installation. The adoption of prefabricated bathrooms allows the construction of entire bathroom units to be streamlined and completed efficiently in a controlled factory environment, where productivity and quality can be maximised, and manpower and time savings can be realised.

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



The drive to adopt productive technologies such as prefabricated prefinished construction and prefabricated bathrooms is part of the Government's effort to boost productivity in the construction sector, where industry players can focus on innovative, productive and advanced building solutions that reduce their dependency on foreign labour and build faster with higher quality.

Key Supply Conditions

Availability of funding schemes to spur productivity in the construction industry

The Government, via Building and Construction Authority, actively seeks new, innovative and productive methods of construction to transform construction activities in Singapore. Building and Construction Authority has studied technologies such as PPVC and cross-laminated timber which are widely adopted overseas, which lead to higher productivity, better quality and lesser harm to communities and the environment.

The Building and Construction Authority has introduced two (2) funding schemes to support industry bottom-up innovation, particularly in applied developmental work. These schemes are:

- Productivity improvement project ("PIP") supports developmental projects to build up capability and improve site processes to achieve higher productivity
- Innovation Grant ("iGrant") aims to help the entire construction value chain in research and development ("R&D") projects with near term commercialisation potential

Both schemes are open to developers, consultants, builders and subcontractors registered in Singapore. The schemes co-fund up to 70.0% of the qualifying costs with different cap amounts depending on the scheme and level of funding. A minimum 20.0% productivity improvement is required for these development projects.

Proximity to target markets

Precast concrete components are bulky and thus logistics management is an important facet of its distribution channel. Concrete producers, whether for ready-mix concrete or precast concrete, usually have multiple batching plants strategically located close to their key markets in order to lower transportation costs and reduce delivery time. Due to scarcity and consequently high cost of land in Singapore, several industry players have ventured to establish precast concrete plants in Malaysia, in the southern state of Johor, in close proximity to Singapore's border. While this reduces the cost of land acquisition and labour cost, transportation charges incurred for the delivery of finished or semi-finished precast concrete components to construction sites in Singapore can be subject to duties and taxes.

Dependency on foreign workers for the production of precast concrete components

Singapore is largely dependent on foreign workers in all sectors of its economy. In 2013, the total population of Singapore was 5.4 million, of which 3.3 million were citizens, 0.5 million were permanent residents and the remaining 1.6 million were foreigners. This was an increase from the 5.0 million population count in 2009 where 3.2 million were citizens, 0.5 million were permanent residents and the remaining 1.3 million were foreigners.

Singapore has moved to tighten foreign worker policies progressively since 2010 and as a result, foreign workforce growth has slowed in the last two (2) years. While the Government expects further slowdowns in

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

the coming two (2) years especially in the services sector, the construction sector is spared Government intervention with regards to tighter foreign worker inflows. In Budget 2014, the Government announced several measures to encourage the construction sector to retain skilled workers and implement manpower-saving technologies.

Rising cost of building materials and development costs impact construction costs

The construction industry is expected to witness increased competition for raw materials and labour with the rollout of large residential and infrastructure projects in Singapore, which will thus have an impact on the production costs of building materials including precast concrete components.

Product/Service Substitution

At present, precast concrete competes with other local and mostly cheaper building materials, such as ready-mix casting, clay bricks, autoclaved aerated concrete ("AAC") and concrete. Compared to these building materials, precast concrete components offers certain advantages, including the uniform standardised consistent quality, just-in-time delivery and quick assembly, tidy construction sites with lower risk of accidents, high-quality finish and fewer project-owner quality claims, making it the building material of choice especially for public housing development projects in Singapore.

Reliance and Vulnerability to Imports

The construction industry in Singapore is significantly dependent on the imports of cement, concrete and artificial stone, including precast concrete components, that are used to build residential, commercial and industrial properties. Singapore's imports of cement, concrete and artificial stone increased from USD109.9 million in 2009 to USD327.9 million in 2013 at a CAGR Of 31.4%. Between 2009 and 2013, residential, commercial and industrial construction, measured by total industry project value increased from SGD22.5 billion to SGD35.8 billion at a CAGR of 12.3%.

SMITH ZANDER notes that the growth rate of Singapore's imports of cement, concrete and artificial stone (CAGR 31.4%) are significantly higher than the demand for construction services (CAGR 12.3%), thus indicating that demand for building materials, construction materials and mineral products for property construction is largely dependent on imports.

Precast concrete industry in Singapore - imports of articles of cement, concrete or artificial stone ^a

Year	Import value (USD million)
2009	109.9
2010	135.8
2011	201.3
2012	290.6
2013	327.9
CAGR	31.4%

^a Latest available data as at 31 May 2015

Source: Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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Relevant Laws and Regulations

The relevant laws and regulations pertaining to the concrete industry in Singapore include, but are not limited to, the following:

Workplace Safety and Health (Registration of Factories) Regulations 2008

Any person who wishes to occupy or use any premises where any building operation or works of engineering construction is or are being carried out by way of trade or for the purposes of gain is required to register the premises (or worksite) as a factory with the Commissioner for Workplace Safety and Health pursuant to the Workplace Safety and Health (Registration of Factories) Regulations 2008 one (1) month prior to the commencement of activities.

Construction sites also fall within the one (1) time registration regime and such factories need to declare that they have implemented risk management prior to commencement of their operations; and complete the safety and health management system audit / internal review within two (2) months from the commencement of work. An audit will be carried out by work health safety auditors for any worksite with a contract sum of SGD30.0 million or more at least once every six (6) months. An internal review of at least once every six (6) months would suffice for any worksite with a contract sum of less than SGD30.0 million.

Workplace Safety and Health Act, Chapter 354A

Under the Workplace Safety and Health Act, Chapter 354A, every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. With effect from 1 September 2011, all workplaces in Singapore are covered under the Workplace Safety and Health Act, Chapter 354A. These measures include providing and maintaining a safe work environment without risk to health; ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by employees; ensuring that the employees are not exposed to hazards arising from the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer; developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and ensuring that employees have adequate instruction, information, training and supervision to perform at work.

Environmental Public Health Act, Chapter 95

The Environmental Public Health Act, Chapter 95 requires, *inter alia*, a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance. The Environmental Public Health Act, Chapter 95 also regulates, *inter alia*, the disposal and treatment of industrial waste and public nuisances.

Under the Environmental Public Health Act, Chapter 95, the Ministry of Environment and Water Resources has empowered the Director-General of Public Health to serve a nuisance order on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the Environmental Public Health Act, Chapter 95 include any premises or part thereof of such a construction or in such a state as to be a nuisance or there exists or is likely to exist any condition

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)**SMITH ZANDER**

giving rise, or capable of giving rise to the breeding of flies or mosquitoes and any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance.

Building and Construction Industry Security of Payment Act (Chapter 30B)

The Building and Construction Industry Security of Payment Act (Chapter 30B) confers a statutory entitlement to progress payments on any person who has carried out any construction work or supplied any goods or services under a contract. The Building and Construction Industry Security of Payment Act (Chapter 30B) also contains provisions relating to, *inter alia*, the amount of progress payment to which a person who has carried out any construction work is entitled under a contract, the valuation of the construction work carried out and the date on which a progress payment becomes due and payable (even where a construction contract does not provide for such date).

Building Control Act, Chapter 29

The Building Control Act, Chapter 29 sets out the requirements for licensing of builders. All builders carrying out building works where plans are required to be approved by the Commissioner of Building Control and builders who work in specialist areas which have a high impact on public safety will require a Builder's License from 16 June 2009. Pursuant to the Building Control (Amendment) Act 2007, builders who undertake all building works where plans are required to be approved by the Building and Construction Authority and those who undertake works in specialist areas which have a high impact on public safety and require specific expertise, skill or resources for their proper execution have to be licensed.

Builders are licensed under two (2) registers, namely the General Builder Register (Class 1 and Class 2) and the Specialist Builder Register and such licenses are to be renewed on a three (3) year basis. Holders of the General Builder Class 1 license are allowed to perform general building works of unlimited value while holders of the General Builder Class 2 license are allowed to perform general building works of contract values of SGD6.0 million or less.

A builder is required to obtain a Specialist Builder License if he undertakes any of the following specialist building works, namely piling works, ground support and stabilisation works, site investigation work, structural steelwork, precast concrete work or in-situ post-tensioning work.

Concrete industry in Singapore – classes of specialist builder license

Class	Description
Specialist Builder (Piling Works)	Piling works comprising installation and testing of precast reinforced concrete or prestressed concrete piles, steel piles, bored cast-in-place reinforced concrete piles, caissons and special pile types like micro-piles, barrettes piles and composite piles, embedded retaining wall piles like diaphragm walls, contiguous bored piles or secant piles
Specialist Builder (Ground Support and Stabilisation Works)	Ground support and stabilisation works including installation and testing of ground anchors, soil nails, rock bolts, ground treatment like chemical grouting and jet-grouting, reinforced-earth, shotcreting and tunnel supports
Specialist Builder (Structural Steelwork)	Structural steelwork comprising <ul style="list-style-type: none"> ▪ fabrication of structural elements; ▪ erection work like site cutting, site welding and site bolting; and ▪ installation of steel supports for underground building works

Extracted from the independent market research report prepared by SMITH ZANDER

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

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In addition to obtaining the requisite licenses, registration in the contractors' registry maintained by the Building and Construction Authority is a prerequisite to tendering for projects in the public sector and the contractors' registry is subject to review every three (3) years. Presently, there are six (6) major categories of registration, some of which are further sub-classified into six (6) or seven (7) grades, depending on the category of registration.

Registration of a contractor with the Building and Construction Authority is dependent on the contractor fulfilling certain requirements relating to, inter alia, the value of previously completed projects, personnel resources, net worth and paid-up capital of the contractor.

Employment of Foreign Manpower Act, Chapter 91A

Under Section 5(1) of the Employment of Foreign Manpower Act, Chapter 91A, no person shall employ a foreign worker unless he has obtained in respect of the foreign worker a valid work permit, which allows the foreign worker to work for him. From 1 July 2012, basic skilled construction work permit workers would be allowed to work up to a maximum of ten (10) years, while higher skilled workers would be allowed to work up to 18 years. As a transitional measure, the Ministry of Manpower will grant an extension to the period of employment of all affected workers. Employers will have at least two (2) years to upgrade their workers from basic skilled to higher skilled.

The availability of foreign workers to the construction industry is regulated by the Ministry of Manpower through the following policy instruments, namely approved source countries; issuance of work permits; the imposition of security bonds and levies; dependency ceilings based on the ratio of local to foreign workers; skill trade test requirement whereby the foreign worker will need to meet a basic skill requirement before he can work in Singapore; and quotas based on man-year entitlements in respect of workers from non-traditional sources and the People's Republic of China.

The approved source countries for construction workers include Malaysia, the People's Republic of China, non-traditional source countries and North Asian sources. Non-traditional source countries include India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan. North Asian source countries include Hong Kong, Macau, South Korea and Taiwan.

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6 INDUSTRY PROSPECTS AND OUTLOOK FOR SUNWAY CONSTRUCTION GROUP BERHAD

Malaysia's economy is expected to sustain its growth momentum driven by resilient domestic demand and an improving external sector. Given the improving outlook of global economy and underpinned by measures announced under Budget 2015 to support growth and transformation programmes, Malaysia's GDP is expected to expand between 4.5% and 5.5% in 2015.

Despite considerable achievements in providing basic infrastructure and public amenities for the population, there are still development gaps between regions in Malaysia, as well as between urban and rural areas. Public transport and infrastructure such as roads, railways, ports and utilities are key targeted development areas as the country strives towards developed nation status by 2020. Additionally, key urban areas have been identified for large scale development and upgrade of efficient public transportation systems, indicating further growth potential for infrastructure development and construction. Historically, Malaysia's construction sector, based on the total value of construction projects awarded, has grown from RM74.9 billion in 2009 to RM130.7 billion in 2013 at a CAGR of 14.9%, where infrastructure construction increased from RM22.7 billion to RM31.3 billion in the same period.

Residential construction activities registered the highest growth rate of 27.6% as the value of awarded projects increased from RM14.3 billion in 2009 to RM37.9 billion in 2013. On the back of an increase in the supply of commercial office space, the value of awarded commercial and industrial construction projects witnessed a growth rate of 12.8% over the period of 2009 and 2013. The demand for construction services is expected to remain robust moving forward as the decentralisation of office developments, scarcity of land and plans to improve the public transportation system in Malaysia will be key factors that contribute the development of new townships and business centres emerging outside major city centres. Several mixed development projects are expected to come onstream by 2017, thereby indicating growth potential for commercial retail space in Malaysia. The implementation of the second phase of the Iskandar Malaysia masterplan will have significant impact on construction activities in Johor as development plans under the CPD will be focused within the city centre, Danga Bay and the Nusajaya localities.

In 2013, the total value of construction projects awarded in Malaysia was registered at RM130.7 billion. During this same period, Sunway Construction Group Berhad was awarded projects amounting to RM2.9 billion and thereby garnered a market share of 2.2% in Malaysia.

SMITH ZANDER projects the construction industry to grow from RM130.7 billion in 2013 to RM191.1 billion in 2017 underpinned by the high impact projects announced under 10MP, 11MP, ETP and Budget 2015 which are expected to catalyse the construction industry. Allocations have been provided for under Budget 2015 to improve public infrastructure facilities, including improving road networks and bridges, train services, ports, airports and utilities. Budget 2015 will also focus on strengthening health services through the construction of new hospitals and clinics as well as upgrading of existing healthcare facilities. Specifically in Budget 2015, the Government announced several infrastructure projects that will result in greater demand for construction services. A total of approximately RM75.0 billion worth of highway infrastructure projects have been earmarked to commence in 2015.

The construction industry in Singapore grew from SGD22.5 billion in 2009 to SGD35.8 billion in 2013 at a CAGR of 12.3%. The nation's construction industry is largely spurred by residential development where residential construction activities increased from SGD6.7 billion to SGD16.1 billion at a CAGR of 24.5% over the period of 2009 and 2013. The total number of completed public housing units in Singapore has increased from 1,769 units in 2009 to 12,744 units in 2013 at a CAGR of 63.8%, and comprised the largest proportion of construction activities in Singapore in 2013 at 45.0%. SMITH ZANDER expects the

7. EXECUTIVE SUMMARY OF THE INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

construction industry in Singapore to grow from SGD35.8 billion in 2013 to SGD53.0 billion in 2017 at a CAGR of 10.3%.

Singapore further announced plans to construct an additional 80,000 units of public housing over the coming three (3) years. Under Budget 2015, the Government allocated SGD484.0 million for the upgrading of HDB public housing precincts, where investments will be made to improve access and upgrade lifts in older HDB developments which will benefit an estimated 50,500 units, and the completion of 17,900 units and 20,900 units under HDB's HIP and NRP respectively. These developments bode well for the precast concrete industry in Singapore as demand for precast concrete products is primarily generated from residential construction projects. Sunway Concrete Products (S) Pte Ltd, a wholly-owned subsidiary of Sunway Construction Group Berhad has manufactured and supplied precast concrete components for a total of 2,498 units of the 77,436 HDB units under construction in Singapore in the same year, resulting in a market share of 3.2%.

SMITH ZANDER believes that the prospects for Sunway Construction Group Berhad will be supported by overall growth in the construction industries in Malaysia and Singapore, to be driven by strong anticipated public spending on infrastructure development and public housing respectively. As one of the largest construction companies in Malaysia with an established track record of over 30 years delivering building and civil infrastructure construction projects, Sunway Construction Group Berhad will continue to be a key industry player, leveraging on its proven success to achieve further growth.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT

8.1 SUBSTANTIAL SHAREHOLDERS AND PROMOTERS

8.1.1 Shareholdings of Our Substantial Shareholders and Promoters

The following table sets out the direct and indirect shareholdings of our Promoters and/or our substantial shareholders based on our Register of substantial shareholders' shareholdings before and after the Listing:

Promoters and/or substantial shareholders	After Distribution and before Listing		After Listing – Assuming the Over-allotment Option is not exercised ⁽¹⁾		After Listing – Assuming the Over-allotment Option is fully exercised ⁽¹⁾	
	No. of Shares	(%)	Direct	Indirect	Direct	Indirect
Promoters/ substantial shareholders						
Sunway	-	-	-	719,184,709 ⁽³⁾	-	659,379,009 ⁽³⁾
SunHoldings	1,117,890,109	86.5	719,184,709	-	659,379,009	51.0
Tan Sri Jeffrey Cheah	7,723,892	0.6	7,723,892	810,018,688 ⁽⁴⁾	7,723,892	750,212,988 ⁽⁴⁾
Puan Sri Susan Cheah	-	-	-	817,742,580 ⁽⁵⁾	-	757,936,880 ⁽⁵⁾
Sarena Cheah	57,727	#	57,727	817,671,516 ⁽⁶⁾	57,727	757,865,816 ⁽⁶⁾
Evan Cheah	13,435	#	13,435	817,671,418 ⁽⁷⁾	13,435	757,865,718 ⁽⁷⁾
Sungei Way Corporation	87,692,900	6.8	87,692,900	719,184,709 ⁽⁸⁾	87,692,900	659,379,009 ⁽⁸⁾
Active Equity	-	-	-	806,877,609 ⁽⁹⁾	-	747,071,909 ⁽⁹⁾
Promoter Jef-San	3,069,917	0.2	3,069,917	-	3,069,917	0.2

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Notes:

[^]
The shareholdings shown in the table above included the pink form allocation under the Pink Form Offer as set out in Section 3.6.2(b) of this Prospectus.
Negligible

- (1) Excludes OFS Shares they may subscribe for under the Retail Offering and the Institutional Offering, if applicable.
- (2) Based on our entire issued and paid-up share capital of 1,292,900,010 Shares.
- (3) Deemed interest by virtue of Section 6A of the Act held through SunHoldings
- (4) Deemed interest by virtue of Section 6A of the Act held through Jef-San, Active Equity, Sungei Way Corporation, Sunway, SunHoldings and children.
- (5) Deemed interest by virtue of Section 6A of the Act held through Jef-San, spouse and children.
- (6) Deemed interest by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, spouse and parents.
- (7) Deemed interest by virtue of Section 6A of the Act held through Sunway and SunHoldings.
- (8) Deemed interest by virtue of Section 6A of the Act held through Sungei Way Corporation, Sunway and SunHoldings.
- (9) Deemed interest by virtue of Section 6A of the Act held through Sungei Way Corporation, Sunway and SunHoldings.

Save for the Promoters and/or substantial shareholders named above, our Directors are not aware of any persons who, directly or indirectly, exercise control over our Company.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.1.2 Profiles of Promoters

The profiles of our Promoters are as follows:

(i) Sunway

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

The principal activities of Sunway are investment holding and providing management services. The principal activities of its subsidiaries, associates and jointly controlled entities are in the core businesses of property and construction. Other businesses include quarry, building materials, trading and manufacturing as well as hospitality, leisure and healthcare. Sunway is our intermediate holding company. Please refer to Section 8.1 of this Prospectus for the details of Sunway's direct and indirect shareholdings (before and after Listing) in our Company.

As at the LPD, Sunway has an authorised share capital of RM10,000,000,000.00 divided into 10,000,000,000 ordinary shares of RM1.00 each, of which 1,762,053,672 are issued and fully paid-up.

As at the LPD, the directors of Sunway are as follows:

Name	Designation
Tan Sri Jeffrey Cheah	Executive Chairman, Non-Independent Executive Director
Tan Sri Datuk Seri Razman M Hashim	Deputy Executive Chairman, Non-Independent Executive Director
Dato' Chew Chee Kin	President, Non-Independent Executive Director
Sarena Cheah	Non-Independent Executive Director
Wong Chin Mun	Senior Independent Non-Executive Director
Lim Swe Guan	Independent Non-Executive Director
Datuk Seri Yam Kong Choy	Independent Non-Executive Director
Tan Sri Dato' Dr Lin See Yan	Independent Non-Executive Director

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

As at the LPD, the substantial shareholders of Sunway are as follows:

Name	Direct		Indirect	
	No. of shares	(%) [^]	No. of shares	(%) [^]
Tan Sri Jeffrey Cheah	77,238,939	4.41	908,339,803 ⁽¹⁾	51.82
Puan Sri Susan Cheah	-	-	985,578,742 ⁽²⁾	56.23
Sarena Cheah	577,274	0.03	984,868,100 ⁽³⁾	56.19
Evan Cheah	134,357	0.01	984,867,111 ⁽⁴⁾	56.19
Sungei Way Corporation	907,628,172	51.78	-	-
Active Equity	-	-	907,628,172 ⁽⁵⁾	51.78
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	91,000,000	5.19	-	-

Notes:

[^] Based on the number of ordinary shares of RM1.00 each in Sunway (excluding treasury shares).

(1) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation and children.

(2) Deemed interested by virtue of Section 6A of the Act held through spouse and children.

(3) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, spouse and parent.

(4) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation and parent.

(5) Deemed interested by virtue of Section 6A of the Act held through Sungei Way Corporation.

(ii) SunHoldings

SunHoldings is our Promoter and substantial shareholder. It was incorporated in Malaysia as a private limited company under the Act on 26 January 1978 as Sungei Way Holdings Sdn Berhad. It was converted to a public limited company on 13 December 1983 and was officially listed on the Main Market of Kuala Lumpur Stock Exchange (now known as Main Market of Bursa Securities) as Sungei Way Holdings Berhad on 16 February 1984. SunHoldings subsequently changed its name to Sunway Holdings Incorporated Berhad on 13 December 1999 and Sunway Holdings Berhad on 3 December 2007. SunHoldings was delisted on 23 August 2011 pursuant to a merger exercise undertaken by Sunway to facilitate the listing of Sunway and assumed its present name of Sunway Holdings Sdn Bhd since 3 October 2011.

The principal activities of SunHoldings are investment holding and provision of management services. Please refer to Section 8.1 of this Prospectus for the details of SunHoldings' direct and indirect shareholdings (before and after Listing) in our Company.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

As at the LPD, SunHoldings has an authorised share capital of RM2,500,000,000 divided into 2,499,800,000 ordinary shares of RM1.00 each and 20,000,000 non-convertible non-cumulative redeemable preference shares of RM0.01 each, of which 2 ordinary shares and 214,967 non-convertible and non-cumulative redeemable preference shares are issued and fully paid-up.

As at the LPD, Sunway was holding the entire issued and paid-up share capital of SunHoldings.

(iii) **Tan Sri Jeffrey Cheah**

Tan Sri Jeffrey Cheah, aged 70, is the Founder and Executive Chairman of Sunway Group, a formidable conglomerate with core businesses in property and construction, and a multitude of established businesses spanning across 50 locations worldwide.

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

He has been conferred nine honorary doctorates by leading universities worldwide. He was appointed Officer of the Order of Australia ("AO") by the Prime Minister of Australia in 2008. AO is one of the Australia's most prestigious and highly regarded awards conferred to a non-citizen of Australia. He is also the Chairman and Co-Founder of Asian Strategy & Leadership Institute ("ASLI"). He was conferred the Honorary Assistant Commissioner of Police ("ACP") title in February 2013 by Malaysia's Inspector-General of Police ("IGP") for his commendable efforts as Chairman of Malaysia Crime Prevention Foundation (Selangor Chapter).

In 2007, Tan Sri Jeffrey Cheah established the eponymous "Jeffrey Cheah Foundation" and in 2009, he endowed all his equity in 12 institutions of Sunway Education Group, inter alia, Sunway University, Monash University Malaysia, Jeffrey Cheah School of Medicine and Health Sciences, Sunway College and Sunway International School, valued at more than RM720 million to the Jeffrey Cheah Foundation ("JCF"). JCF was officially launched by the Prime Minister of Malaysia on 18 March 2010 in the presence of its foundation's patron, His Royal Highness Sultan of Selangor.

In July 2013, Tan Sri Jeffrey Cheah through JCF, has endowed USD6.2 million (equivalent to approximately RM22.7 million*) to Harvard University to establish the Jeffrey Cheah Funds for Southeast Asia Studies; the Jeffrey Cheah Professorship and the Jeffrey Cheah Visiting Professorship, both in perpetuity, and the Jeffrey Cheah Travel Grants. This initiative will serve to advance teaching and research on Southeast Asia Studies at Harvard University and to enable two-way flow of scholars and researchers between Harvard University and the Sunway Education Group.

In August 2014, Tan Sri Jeffrey Cheah received a special invitation to be a member of the Global Advisory Council of Harvard University from The President of Harvard University.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Other notable achievements and appointments of Tan Sri Jeffrey Cheah insofar as the construction business and industry are concerned include:

- 2014 - Prominent Player Award by Construction Industry Development Board (CIDB) Malaysia.
- Value Creator: Malaysia's Outstanding CEO by The Edge Billion Ringgit Club.
- President's Award by Malaysia Institute of Planners.
- 2013 - Malaysia Outstanding Property Personality Award by The Edge Malaysia.
- Appointed as Advisor to Institut Darul Ridzuan ("IDR") in the State of Perak, Malaysia.
- 1996 - Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing.
- CEO of the Year (Malaysia) by Business Times - American Express.
- 1993 - Property Man of the Year (Malaysia) by FIABCI, Malaysia Chapter.

Tan Sri Jeffrey Cheah was appointed to the Board of Sunway on 22 November 2010.

His directorships in other public companies are ASLI Foundation, JCF, Mahathir Science Award Foundation, Razak School of Government and Perdana Leadership Foundation.

Note:

* Based on exchange rate of USD1.00 : RM3.6675 as at 29 May 2015 (Source: Bloomberg L.P.).

(iv) Puan Sri Susan Cheah

Puan Sri Susan Cheah, aged 70, is our substantial shareholder and Promoter.

She graduated in Commerce from Victoria University, Australia. She also holds professional qualifications of Chartered Accountant from Malaysian Institute of Accountants (MIA), Fellow Certified Practising Accountant (FCPA Australia), Fellow Company Certified Secretary from Malaysian Association of Company Secretaries (MACS) and Fellow Professional National Accountant from National Institute of Accountants (NIA). On 21 February 2004, she was conferred with an Honorary Doctorate Degree by Victoria University. On 6 June 2010, she received The Most Outstanding ASEAN Women of Achievement Award 2010 and on 2 June 2011, she received the Asia Success Award of "Super Women Entrepreneur The Outstanding Leader of Human Capacity Development Award". On 14 July 2012, she received Honorary Award from The Contributor Award 2012. On 3 October 2012, she received The BrandLaureate Brand Icon Leadership Award 2012 from The Asia Pacific Brands Foundation.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

(v) Sarena Cheah

Sarena Cheah, aged 40, is our substantial shareholder and Promoter. She graduated from University of Western Australia with a Bachelor of Commerce (Accounting and Finance) Degree in 1994. She also obtained a Master Degree in Business Administration from Melbourne Business School in 2001.

Sarena Cheah has been with the Sunway Group since 1995, starting her career in the Corporate Finance and Group Internal Audit divisions. In 2000, she left to pursue her Master Degree in Business Administration at Melbourne Business School. Upon her return, she joined the Education and Healthcare divisions as Business Development Manager. In 2003, she rejoined the Corporate Finance division to lead the asset-backed securitisation exercise for Sunway City Berhad. In 2006, she became the Sales & Marketing General Manager in the Property Development division before holding the position as the Director of Strategy & Corporate Development in 2009. Thereafter, she assumed the position as the Executive Director of Strategy & Corporate Development in August 2011. Effective 1 May 2013, she was appointed as Managing Director of Strategy & Corporate Development as well as Joint Managing Director of Property Development Division, Malaysia/Singapore. Effective 1 May 2015, she took over the role of Managing Director of Property Development Division of Sunway.

Sarena Cheah was appointed to the Board of Sunway on 18 November 2010. She is also a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust.

Her directorships in other public companies are SunREIT Capital Berhad, SunREIT Unrated Bond Berhad and Sunway Lagoon Club Berhad.

(vi) Evan Cheah

Evan Cheah, aged 35, is our substantial shareholder, Promoter and Non-Independent Non-Executive Director.

He graduated with a Bachelor of Commerce Degree and Bachelor of Business System Degree from Monash University in 2001.

Evan Cheah joined the Sunway Group following his graduation as an Executive Assistant and was attached to the Sunway Group Finance division from 2001 to 2002, with key roles in investment analysis, due diligence, corporate finance, management accounting and group procurement. In 2003, he was promoted and rotated to Sunway Construction where he was the Finance Manager. In 2006, he became the General Manager, Business Development of Sunway Group's Trading & Manufacturing division. In 2010, he was promoted to be the Executive Director of Sunway Mas, a property development company within Sunway Group, in charge of operation matters.

In 2011, Evan Cheah was designated Chief Executive Officer of Sunway Group's China operations, responsible for the China Corporate Office and the development of new business opportunities for the Sunway Group in China. In 2013, he assumed the additional role of Executive Director in the President's Office of Sunway, assisting the Group President in overseeing the Trading & Manufacturing, Building Materials, Quarry & Information Technology businesses.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Evan Cheah is a Chartered Financial Analyst Charterholder, a Certified Practising Accountant, and a Member of Malaysian Institute of Accountants.

Effective 1 March 2015, he was redesignated as Executive Vice President-President Office with additional role of assisting the President's Office to identify potential business growth opportunities for Sunway Group and driving the group's synergy.

(vii) Sungei Way Corporation

Sungei Way Corporation is our Promoter and substantial shareholder. It was incorporated as a private company in Malaysia under the Act on 9 April 1974. The authorised share capital of Sungei Way Corporation is RM25,000,000 comprising 15,000,000 ordinary shares of RM1.00 each and 1,000,000,000 Non-Cumulative Redeemable Preference Shares of RM0.01 each, of which RM12,611,000, comprising 10,000,000 ordinary shares of RM1.00 each and 261,100,000 Non-Cumulative Redeemable Preference Shares of RM0.01 each are issued and paid-up.

The principal activities of Sungei Way Corporation are property investment and investment holding.

As at the LPD, Active Equity was holding the entire issued and paid-up share capital of Sungei Way Corporation.

(viii) Active Equity

Active Equity is our Promoter and substantial shareholder. It was incorporated as a private company in Malaysia under the Act on 5 November 1982. The authorised share capital of Active Equity is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which RM127,500, comprising 127,500 ordinary shares of RM1.00 each are issued and paid-up.

The principal activity of Active Equity is investment holding.

As at the LPD, the substantial shareholders of Active Equity and their respective shareholdings are as follows:

Name	Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)
Tan Sri Jeffrey Cheah	102,000	80	25,500 ⁽¹⁾	20 ⁽¹⁾
Sarena Cheah	12,750	10	102,000 ⁽²⁾	80 ⁽²⁾
Evan Cheah	12,750	10	102,000 ⁽²⁾	80 ⁽²⁾

Notes:

(1) Deemed interest by virtue of Section 6A of the Act held through children.

(2) Deemed interest by virtue of Section 6A of the Act held through parent.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

(ix) Jef-San

Jef-San is our Promoter and shareholder. It was incorporated as a private company in Malaysia under the Act on 11 July 1975. The authorised share capital of Jef-San is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which RM100,000, comprising 100,000 ordinary shares of RM1.00 each are issued and paid-up.

The principal activities of Jef-San are management services, rental of properties and investment holding.

As at the LPD, the shareholders of Jef-San and their respective shareholdings are as follows:

Name	Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)
Tan Sri Jeffrey Cheah	60,000	60	40,000*	40*
Puan Sri Susan Cheah	40,000	40	60,000*	60*

Note:

* Deemed interest by virtue of Section 6A of the Act held through spouse.

8.1.3 Substantial Shareholders

Our current substantial shareholders are Sunway, SunHoldings, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity.

The profile of Sunway, SunHoldings, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity who are also our Promoters, is set out in Section 8.1.2 above.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.1.4 Changes in Shareholdings

The shareholdings of our Promoters and/or substantial shareholders since our incorporation on 10 September 2014 up to the completion of the Distribution are as follows:

Name	As at 10 September 2014				After Distribution			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)	No. of shares	(%)
<u>Promoters/ substantial shareholders</u>								
Sunway	-	-	10 ⁽¹⁾	100.0	-	-	1,117,890,109 ⁽¹⁾	86.5
SunHoldings	10	100.0	-	-	1,117,890,109	86.5	-	-
Tan Sri Jeffrey Cheah	-	-	10 ⁽²⁾	100.0	7,723,892	0.6	1,208,724,088 ⁽²⁾	93.5
Puan Sri Susan Cheah	-	-	10 ⁽³⁾	100.0	-	-	1,216,447,980 ⁽³⁾	94.1
Sarena Cheah	-	-	10 ⁽⁴⁾	100.0	57,727	#	1,216,376,916 ⁽⁴⁾	94.1
Evan Cheah	-	-	10 ⁽⁵⁾	100.0	13,435	#	1,216,376,818 ⁽⁵⁾	94.1
Sungei Way Corporation	-	-	10 ⁽⁶⁾	100.0	87,692,900	6.8	1,117,890,109 ⁽⁶⁾	86.5
Active Equity	-	-	10 ⁽⁷⁾	100.0	-	-	1,205,583,009 ⁽⁷⁾	93.3
<u>Promoter</u>								
Jef-San	-	-	-	-	3,069,917	0.2	-	-

Notes:

Negligible.

(1) Deemed interest by virtue of Section 6A of the Act held through SunHoldings.

(2) Deemed interest by virtue of Section 6A of the Act held through Jef-San, Active Equity, Sungei Way Corporation, Sunway, SunHoldings and children.

(3) Deemed interest by virtue of Section 6A of the Act held through Jef-San, spouse and children.

(4) Deemed interest by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, spouse and parents.

(5) Deemed interest by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings and parents.

(6) Deemed interest by virtue of Section 6A of the Act held through Sunway and SunHoldings.

(7) Deemed interest by virtue of Section 6A of the Act held through Sungei Way Corporation, Sunway and SunHoldings.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.2 DIRECTORS

8.2.1 Shareholdings of Our Directors

The following table sets out the direct and indirect shareholdings of our Directors in our Company before and after the Listing:

Name	After Distribution and before Listing		After Listing – Assuming the Over-allotment Option is not exercised ⁽¹⁾		After Listing – Assuming the Over-allotment Option is fully exercised ⁽¹⁾	
	Direct No. of Shares (%)	Indirect No. of Shares (%)	Direct No. of Shares (%)	Indirect No. of Shares (%)	Direct No. of Shares (%)	Indirect No. of Shares (%)
Dato' Ir Goh Chye Koon	5,000 #	-	5,000 #	-	5,000 #	-
Kwan Foh Kwai	105,216 0.01	46,685 ⁽²⁾ #	605,216 0.04	46,685 ⁽²⁾ #	605,216 0.04	46,685 ⁽²⁾ #
Dato' Siow Kim Lun	-	-	-	-	-	-
Dato' Dr. Ir Johari Bin Basri	-	-	-	-	-	-
Dato' Chew Chee Kin	334,355 0.03	34,695 ⁽²⁾ #	334,355 0.03	34,695 ⁽²⁾ #	334,355 0.03	34,695 ⁽²⁾ #
Evan Cheah	13,435 #	1,216,376,818 ⁽³⁾ 94.1	13,435 #	817,671,418 ⁽³⁾ 63.2	13,435 #	757,865,718 ⁽³⁾ 58.6

Notes:

Negligible.

(1) The shareholdings shown in the table above included the pink form allocation under the Pink Form Offer as set out in Section 3.6.2(b) of this Prospectus assuming the pink form allocation is subscribed in full by the respective Directors with no other application through the Retail Offering.

(2) Deemed interested by virtue of Section 6A of the Act held through spouse.

(3) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings and parents.

Please refer to Section 8.1 of this Prospectus for the full detailed effects of the shareholdings of our Director, who is also our Promoter and substantial shareholder.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.2.2 Profiles of Directors

Save for the profile of Evan Cheah, which is set out in Section 8.1.2 of this Prospectus, the profiles of our other Directors are as follows:

(i) Dato' Ir Goh Chye Koon

Dato' Ir Goh Chye Koon, aged 65, is our Independent Non-Executive Chairman/Senior Independent Non-Executive Director.

He graduated with a Bachelor of Engineering (Hons) degree in Civil Engineering from the University of Malaya in 1973. He is a Professional Engineer (P.Eng) and a Member of the Institution of Engineers Malaysia (MIEM).

Dato' Ir Goh Chye Koon began his career as an engineer in the Ministry of Works, where he served for 11 years rising to the position of Superintending Engineer prior to joining IJM Corporation Berhad as a Senior Engineer in 1984. He was promoted as General Manager (Central Region) in 1986 and subsequently appointed as Alternate Director in 1995 before assuming the position of Deputy Group Managing Director in 1997. He was redesignated Deputy Chief Executive Officer and Deputy Managing Director in 2004 and upon his retirement in 2008, Dato' Ir Goh Chye Koon continued to serve as Executive Director of IJM Corporation Berhad until June 2009 and thereafter Non-Executive from July 2009 until June 2013.

He was a member of the Presidential Consultative Council of the Board of Engineers Malaysia (2002 – 2004) and also a member of the Construction Consultative Panel of Malaysia Productivity Corporation (2003 – 2009). He was the Chairman of the Building Industry Presidents' Council and President of the Master Builders Association Malaysia for the session 2004/2006 and has served as its Deputy President, Vice President and Deputy Secretary General.

Dato' Ir Goh Chye Koon was a board member of the Construction Industry Development Board, Malaysia (CIDB) from 2004 to 2006 and served as a Main Committee Member (2001 – 2009) and Chairman of the Working Group for construction projects (Local and Foreign) (2003 – 2009) in the Construction Industry Master Plan of CIDB. He is currently an Advisory Peer Group Member of the School of Science and Technology at Wawasan Open University (since 2010).

(ii) Kwan Foh Kwai

Mr Kwan Foh Kwai, aged 63, is our Senior Managing Director.

He graduated with a Bachelor of Engineering (Hons) degree from the University of Malaya in 1977.

Kwan Foh Kwai began his career as a Contract Engineer in 1977 with the Department of Public Works, Ministry of Works for three years and was attached to the East-West Highway project. In 1980, he moved to Promet Construction Sdn Bhd as its Site Manager. Following this, he joined Alam Baru Sdn Bhd, a Class "A" Contractor, as General Manager from 1984 to 1986. He joined Taisei Corporation of Japan from 1986 to 1996 and his last position was General Manager of Taisei (Malaysia) Sdn Bhd.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

On 1 October 1996, Kwan Foh Kwai joined Sungei Way Construction Berhad as an Executive Director. In June 2001, he was promoted to Managing Director of Sunway Construction Berhad, which was delisted from Bursa Securities and converted to a private limited company in 2004. He was appointed as the Senior Managing Director of our Group on 6 November 2014.

Kwan Foh Kwai is the Immediate Past President of Master Builders Association of Malaysia for the term of 2012 to 2016. He is also a Member of The Institution of Engineers, Malaysia. He has over 37 years of extensive experience working in the construction industry, both in the public and private sectors. He is a Fellow Member of the Chartered Institute of Building and a Board Member of International Federation of Asian & Western Pacific Contractors' Association (IFAWPCA). Kwan Foh Kwai is also the Chairman of the Board of Governors of SMJK Yuk Choy, Ipoh, Perak.

(iii) **Dato' Siow Kim Lun**

Dato' Siow Kim Lun, aged 64, is our Independent Non-Executive Director.

He graduated with a Master in Business Administration from the Catholic University of Leuven in Belgium in 1981 and holds a Bachelor of Economics (Hons) degree from Universiti Kebangsaan Malaysia, which he obtained in 1978. He has also attended the Advanced Management Program at the Harvard Business School in 1997.

Dato' Siow Kim Lun began his career in investment banking with the Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) in 1981 and later joined its associate company, Malaysian International Finance Berhad in 1984 as the Manager of its Petaling Jaya Branch. Dato' Siow Kim Lun moved on to join Permata Chartered Merchant Bank Berhad (now known as Affin Hwang Investment Bank Berhad) as a manager and later as the Divisional Head of its Corporate Finance Division from 1985 to 1993. Between 1993 and 2006, he was with the SC and has served in several positions at the SC including that of the Director of its Issues and Investment Division, Director of Market Supervision Division and Executive Director in the Office of the SC Chairman.

After his retirement from the SC, Dato' Siow Kim Lun established MainStreet Advisers Sdn Bhd with his partner in 2007. MainStreet Advisers Sdn Bhd is involved in the provision of corporate finance advisory services.

He was previously a board member of UMW Oil & Gas Corporation Berhad (2011–2013), YTY Industry Holdings Berhad (2010) and Xingquan International Sports Holdings Limited (2009 – 2011). He also served as a member of the Listing Committee at Bursa Securities from 2007 to 2009.

Dato' Siow Kim Lun is currently a Director of Citibank Berhad, Kumpulan Wang Persaraan, UMW Holdings Berhad, EITA Resources Berhad, Hong Leong Assurance Berhad, Eco World International Berhad, MainStreet Advisers Sdn Bhd, UMW M&E Sdn Bhd and UMW Technology Sdn Bhd, as well as a member of the Land Public Transport Commission.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

(iv) Dato Dr. Ir Johari Bin Basri

Dato' Dr Ir Johari Bin Basri, aged 61, is our Independent Non-Executive Director.

He graduated with a Bachelor of Engineering in Mechanical Engineering from University Technology Malaysia in 1977 and obtained his MSc. in Terotechnology from Manchester University, United Kingdom in 1984 and PhD. in Process Safety from the University of Sheffield, United Kingdom in 1997.

In 1977, Dato' Dr Ir Johari Bin Basri joined the Factories and Machinery Department of Malaysia as a Factories and Machinery Inspector (engineer). The Department was responsible to enforce safety regulations on various sectors of industries such as construction, manufacturing, and mining.

In 1983, Dato' Dr Ir Johari Bin Basri was awarded the Malaysian Government scholarship and study leave to pursue the MSc programme. He obtained his MSc. in Terotechnology from Manchester University, United Kingdom in 1984. In the same year, he returned to Malaysia to resume his services at the Factories and Machinery Department of Malaysia.

Dato' Dr Ir Johari Bin Basri was awarded the Malaysian Government scholarship and study leave to pursue the PhD programme in 1994. He obtained his PhD in Process Safety from the University of Sheffield, United Kingdom in 1997. In the same year, he returned to Malaysia to resume his services at the Factories and Machinery Department which was then renamed the Department of Occupational Safety and Health ("**DOSH**") of Malaysia as Director of Industrial Safety Division.

In 2000 and 2004, Dato' Dr Ir Johari Bin Basri was seconded from DOSH to be the Executive Director of National Institute of Occupational Safety and Health ("**NIOSH**") Malaysia. He was the Executive Director of NIOSH Malaysia for years 2000 – 2002 and 2004 – 2007. In between that period, he returned to DOSH and assumed the role of Director General where he was responsible for the overall planning and implementation of the core activities of DOSH, namely enforcement, standard setting and promotional activities. Concurrently during his tenure in NIOSH Malaysia from 2004 to 2007, he was the Executive Director of ASEAN-OSHNET, the regional grouping of ten (10) ASEAN member countries working together towards improving the safety and health of the workers. In 2007, he returned to DOSH to resume the role of Director General until his retirement in June 2014.

He was also a member of the board of directors of NIOSH (2007 – 2014), board of member of CIDB (2007 – 2014), Chairman for the Industrial Standard Committee of Occupational Safety and Health (ISCW) SIRIM Berhad (2007 – 2014) and Member for Malaysian National Standards Committees (MyNSC) Standards Malaysia (2007 – 2014).

Dato' Dr Ir Johari Bin Basri is a Fellow of the Institute of Engineers Malaysia (IEM), Associate Fellow of The Institution of Chemical Engineer (U.K), a Professional Engineer registered with the Board of Engineers Malaysia, member of Malaysian Gas Association (MGA), member of The Japan International Cooperation Agency Alumni Society of Malaysia (MyJICA) and a life member of The Malaysian Society for Occupational Safety and Health (MSOSH).

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

(v) Dato' Chew Chee Kin

Dato' Chew Chee Kin, aged 69, is our Non-Independent Non-Executive Director.

He graduated with a Bachelor of Economics (Hons) degree from the University of Malaya in 1974. He had attended the Program in Management Development at Harvard Business School in 1980.

Dato' Chew Chee Kin started his career as a Trainee Executive in UMW (Malaya) Sdn Bhd in 1974. Prior to joining Sunway Group, he was the General Manager of UMW (Malaya) Sdn Bhd. He joined the Sunway Group in 1981 as the General Manager. In 1984, he was promoted to the Group General Manager (Operations) and was subsequently promoted to Deputy Group Managing Director (Operations) of the Sunway Holdings Berhad Group in 1989. In 1995, he was promoted to Group Managing Director of the Sunway Holdings Berhad Group and to President of the Sunway Holdings Berhad Group in 1999. Upon the completion of the merger of SunCity and SunHoldings in 2011, he was designated as the President of Sunway. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Dato' Chew Chee Kin is the Executive Director and President of Sunway and is a director in Gopeng Berhad.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.2.3 Principal Directorships and Principal Business Activities Performed Outside Our Group

Save as disclosed below, none of our Directors has any principal directorship or principal business activities performed outside our Group (which are not dormant) for the past five years prior to the LPD:

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
Dato' Ir Goh Chye Koon	Interests in Similar Business	IJM Corporation Berhad/ Malaysia	Construction investment activities	Director	01.01.1997	27.08.2013	-
		IJM Construction Sdn Bhd/ Malaysia	Civil and building construction and investment holding	Director	01.08.1997	30.01.2013	-
	Interests in Non-Similar Business	Kumpulan Europlus Berhad/ Malaysia	Investment holding	Director	28.09.2007	02.02.2012	-
Kwan Foh Kwai		Quantity Process Sdn Bhd/ Malaysia	Investment company	Shareholder	-	-	< 0.1 (direct)
	Interests in Non-Similar Business	<u>Subsidiaries of Sunway:</u> SunHoldings/ Malaysia <u>Other entities:</u> MBAM Training Services Sdn Bhd/ Malaysia	Investment holding and provision of management services Providing services	Director	08.01.2004	06.02.2015	-
				Director	15.09.2008	05.11.2012	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Construction Labour Exchange Centre/ Malaysia	Construction	Director	28.12.2009	03.12.2012	-
		Chen One Holding Sdn Bhd/ Malaysia	Investing in property	Director	30.07.2007	03.03.2011	-
Dato' Siow Kim Lun	Interest in Similar Business	WZ Satu Berhad/ Malaysia	Investment holding, manufacturing of cold- drawn steel products, fabrication and installation of skid packages and pipeline projects for the oil and gas industry and civil engineering and general construction	Director/ shareholder	26.10.2007	13.02.2015	< 0.1 (direct)
	Interests in Non-Similar Business	Kumpulan Wang Persaraan (KWAP)/ Malaysia	Management of Government pension fund	Director	01.03.2007	-	-
		Citibank Berhad/ Malaysia	Banking institution	Director	25.04.2007	-	-
		MainStreet Advisers Sdn Bhd/ Malaysia	Provision of corporate finance advisory services	Director/ shareholder	30.10.2007	-	50 (direct)
		UMW Holdings Berhad/ Malaysia	Investment holding, automotive, equipment, oil and gas manufacturing and engineering	Director	10.07.2009	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Eita Resources Berhad/ Malaysia	Design and installation of elevator and busduct systems and trading of electrical and electronic components	Independent Non- Executive Chairman/ shareholder	01.04.2011	-	0.15 (direct)
		Hong Leong Assurance/ Malaysia	Life insurance	Director	30.09.2011	-	-
		Eco World International Berhad/ Malaysia	Proposed special purpose acquisition company - focused on real-estate development overseas ^a	Director	12.09.2014	-	-
		UMW M&E Sdn Bhd/ Malaysia	Investment holdings and management services	Director	16.08.2012	-	-
		YTY Industry Holdings Berhad/ Malaysia	Manufacturing and marketing of examination gloves	Director	28.06.2010	19.11.2010	-
		UMW Oil & Gas Corporation Berhad/ Malaysia	Provision of drilling and work-over services for the oil and gas industry	Director/ shareholder	21.04.2011	02.05.2013	0.005 (direct)
		UMW Technology Sdn Bhd/ Malaysia	Invest in companies which are involved in the technology business	Director	18.12.2014	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		XingQuan International Sports Holdings Limited/ Bermuda	Investment holding, manufacturing and marketing of shoe products and outdoor apparels	Director/ shareholder	01.06.2009	02.12.2011	0.007 (direct)
Dato' Chew Chee Kin	Interests in Similar Business	Shanghai Xinhetai Construction Ltd/ People's Republic of China	To undertake the business of foundation engineering	Director	16.08.2006	-	-
		Sunway Quarry Industries Sdn Bhd/ Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	Director	16.03.2005	-	-
		Sunway Quarry (Kuala Kangsar) Sdn Bhd/ Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	Director	26.09.2006	-	-
	Interests in Non-Similar Business	Sunway/ Malaysia <u>Subsidiaries of Sunway:</u> SunHoldings/ Malaysia	Investment holding and provision of management services	President/ Director/ shareholder	17.06.2011	-	0.19 (direct) 0.02 ^(a) (indirect)
			Investment holding and provision of management services	Director	06.02.2015	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Sunway Integrated Properties Sdn Bhd/ Malaysia	Property development and property investment	Director	02.01.2015	-	-
		Sunway Iskandar Development Sdn Bhd/ Malaysia	Property development	Alternate Director	26.08.2013	-	-
		Sunway Quarry Industries (Melaka) Sdn Bhd/ Malaysia	Granite quarrying	Director	15.05.2008	-	-
		Sunway Eastwood Sdn Bhd/ Malaysia	Property and housing development	Director	10.07.2009	-	-
		Sun Pharmaceutical Sdn Bhd/ Malaysia	Importation and distribution of pharmaceutical products	Director	09.05.2008	01.07.2010	-
		Sunway City (Ipoh) Sdn Bhd/ Malaysia	Property development and investment holding	Director	01.03.2011	23.08.2012	-
		SunwayMas Sdn Bhd/ Malaysia	Property and housing development and investment holding	Director	18.10.1994	09.08.2011	-
		Sunway Marketing (S) Pte Ltd/ Singapore	Trading in hose and fittings and hose assembly	Director	15.08.1986	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of Incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Realty Investments (HB) In/ Panama	Investment holding	Director	27.11.1997	-	-
		Sunway Spun Pile (Zhuhai) Co. Ltd/ People's Republic of China	Design, manufacture and sale of pretensioned spun concrete piles	Director	11.04.2006	-	-
		<u>Other entities:</u>					
		Gopeng Berhad/ Malaysia	Cultivation of oil palm, investment holding and property development	Director	18.05.1998	-	-
		Asian Strategy & Leadership Incorporated Sdn Bhd/ Malaysia	To provide consultancy and to organise and conduct symposia, conferences, seminars and such like activities in commerce and related inter-disciplinary subjects	Director	02.08.1993	-	-
		Sunway Education Group Sdn Bhd/ Malaysia	To operate commercial college and institute of higher learning	Director	20.09.1989	-	-
		Monash University Malaysia Sdn Bhd/ Malaysia	To provide tertiary courses	Director	25.05.2009	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Sunway University Sdn Bhd/ Malaysia	To provide tertiary courses	Director	17.09.2010	-	-
		Sunway College (KL) Sdn Bhd/ Malaysia	To operate commercial college and institute of higher learning	Director	05.01.2011	-	-
		Sunway Hatay Construction & Building Materials JV Co. Ltd/ Vietnam	Quarrying and manufacturing of ready-mixed concrete	Director	01.10.2003	27.06.2013	-
		Sungei Way Ocean Joint Venture Ltd/ Vietnam	Quarrying and production of building stones	Director	09.03.2012	25.04.2014	-
Evan Cheah	Interests in Similar Business	<u>Subsidiaries of Sunway:</u>					
		Deco Style Sdn Bhd/ Malaysia	Specialist contractor in renovation of commercial and residential projects	Indirect shareholder	-	-	100 ^(b) (indirect)
		Sunway Design Sdn Bhd/ Malaysia	Interior decorators and contractors	Indirect shareholder	-	-	80 ^(c) (indirect)
		Sunway Quarry Industries Sdn Bhd/ Malaysia	Manufacturing and supplying of premix, quarry operations to carry out contract works for civil projects	Indirect shareholder	-	-	100 ^(c) (indirect)

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Sunway Paving Solutions Sdn Bhd/ Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks and Eurotiles, undertake contracts for paving works and the hiring of heavy machinery	Indirect shareholder	-	-	100 ^(d) (indirect)
		Sunway Quarry (Kuala Kangsar) Sdn Bhd/ Malaysia	To sell or otherwise deal in stones, aggregates, premix or other construction related products	Indirect shareholder	-	-	100 ^(d) (indirect)
		Sunway GD Foundation Engineering Co Ltd/ Macau, People's Republic of China	To carry out foundation and construction works	Director/ indirect shareholder	26.08.2011	-	60 ^(e) (indirect)
		Shanghai Xinhetai Construction Ltd/ People's Republic of China	To undertake the business of foundation engineering	Director/ indirect shareholder	15.08.2011	-	70 ^(f) (indirect)
		Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co Ltd/ People's Republic of China	Providing technical and consultancy advisory for engineering works and to undertake engineering works through contracting construction projects	Director/ indirect shareholder	15.08.2011	-	100 ^(f) (indirect)

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		PT Sunway Construction Engineering/ Indonesia	To carry out foundation and construction works	Indirect shareholder	-	-	55 ⁽⁷⁾ (indirect)
		Shanghai Sunway Geotechnics Engineering Co Ltd/ People's Republic of China	Undertake geotechnical and foundation engineering through contracting construction projects; installation, leasing and renting of machineries and equipment; marketing and distribution of building materials related products	Indirect shareholder	-	-	100 ⁽⁸⁾ (indirect)
	Interests in Non-Similar Business	Sunway/ Malaysia	Investment holding and provision of management services	Director/ shareholder	01.12.2010	17.06.2011	0.01 (direct) 56.19 ⁽⁹⁾ (indirect)
		<u>Subsidiaries of Sunway:</u> (i) He is/was a director of 12 subsidiaries of Sunway incorporated in Malaysia; and	Various principal activities carried out by the respective subsidiaries	Director	*	*	#

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		(ii) He is a director of 13 subsidiaries of Sunway incorporated outside Malaysia	Various principal activities carried out by the respective subsidiaries	Director	*	*	#
		<u>Other entities:</u> Sungei Way Corporation/ Malaysia	Property investment and investment holding company	Director/ indirect shareholder	11.12.2001	-	100 ^(v) (indirect)
		Active Builder Sdn Bhd/ Malaysia	Investment holding	Director	21.08.2006	-	99.99 ^(v) (indirect)
		Active Equity/ Malaysia	Investment holding	Director/ shareholder	21.08.2006	-	10 (direct) 80 ^(v) (indirect)
		Jef-San/ Malaysia	Management services, rental of properties and investment holding	Director/ indirect shareholder	12.11.2009	-	100 ^(k) (indirect)
		Sungei Way Properties Sdn Bhd/ Malaysia	Property investment, property and project management and letting of property	Director/ indirect shareholder	04.08.2010	-	100 ^(m) (indirect)
		Timah Menderang Sdn Bhd/ Malaysia	Investment holding	Director/ indirect shareholder	21.08.2006	-	100 ^(v) (indirect)

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Hitachi Sunway Information Systems Sdn Bhd/ Malaysia	Provision of IT consulting services and sales of computer hardware and related products	Director/ indirect shareholder	01.06.2009	-	49 ^(K) (indirect)
		Hitachi Sunway Information Systems (Singapore) Pte Ltd/ Singapore	Provision of IT consulting services and sales of computer hardware and related products	Director/ indirect shareholder	12.11.2009	-	100 ^(K) (indirect)
		Sun Pharmaceutical Sdn Bhd/ Malaysia	Importation and distribution of pharmaceutical products	Director	30.06.2009	01.07.2010	-
		Sunway Digital Wave Sdn Bhd/ Malaysia	Sale and marketing of internet/broadband services and related products	Director/ indirect shareholder	27.02.2008	-	70 ^(K) (indirect)
		Sunway MSC Sdn Bhd/ Malaysia	Software developers, software consultants and advisors and to provide other computer software services	Director/ indirect shareholder	02.03.2009	-	70 ^(K) (indirect)
		Sunway S & I Systems Sdn Bhd/ Malaysia	Trading in computer hardware and related software and related components and providing after sales services	Director/ indirect shareholder	03.04.2013	-	49 ^(K) (indirect)

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Director	Interests	Name of company/ Place of incorporation	Principal activities	Designation	Date of appointment	Date of resignation	Shareholding as at the LPD (%)
		Sunway Systems Sdn Bhd/ Malaysia	Trading of computer software and related products and providing after sales services	Director/ indirect shareholder	20.09.2013	-	80 ^(k) (indirect)
		Sunway Technology Sdn Bhd/ Malaysia	Investment holding	Director/ indirect shareholder	02.11.2012	-	100 ^(k) (indirect)
		Adasia (M) Sdn Bhd/ Malaysia	To carry on the business of advertising consultants and agents	Director	21.08.2006	16.12.2011	-
		Progressive Venture Sdn Bhd/ Malaysia	Investment holding, leasing and renting of properties, provision of secretarial/ management services	Shareholder	-	-	8.4 (direct) 83.2 ^(l) (indirect)
		Excelvagent Care Sdn Bhd/ Malaysia	Hairdresses, hair and scalp specialists and other related business	Indirect shareholder	-	-	75 ^(l) (indirect)
		Eastern Glory Enterprises Limited/ British Virgin Island	Investment holding	Director/ indirect shareholder	07.05.2012	-	45 ^(m) (indirect)
		Shanghai Sunway Financial Training Co. Ltd/ People's Republic of China	To provide educational services and training	Director	21.02.2008	-	-

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Notes:

- (a) Deemed interested by virtue of Section 6A of the Act held through spouse.
- (b) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunCity and parent.
- (c) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunCity, Deco Style Sdn Bhd and parent.
- (d) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings and parent.
- (e) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, Sunway Global Limited and parent.
- (f) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, Sunway Global Limited, Sunway GD Foundation Engineering Co Ltd and parent.
- (g) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, Sunway Global Limited, Sunway GD Foundation Engineering Co Ltd, Shanghai Xinhetai Construction Ltd and parent.
- (h) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation and parent.
- (i) Deemed interested by virtue of Section 6A of the Act held through Active Equity and parent.
- (j) Deemed interested by virtue of Section 6A of the Act held through parent.
- (k) Deemed interested by virtue of Section 6A of the Act held through parents.
- (l) Deemed interested by virtue of Section 6A of the Act held through Progressive Venture Sdn Bhd and parent.
- (m) Deemed interested by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunCity, Sunway Lagoon Sdn Bhd and parent.
- # By virtue of Evan Cheah's interest in Sunway pursuant to Section 6A of the Act, he is deemed to have an interest in the subsidiaries of the extend
- * The following sets out the date of appointment and resignation (where applicable) of Evan Cheah as director/alternate director of the subsidiaries of Sunway (which are not dormant) for the past five years:

Name of subsidiaries	Date of appointment	Date of resignation/cessation
Companies incorporated in Malaysia		
Sunway Marketing Sdn Bhd	02.12.2011	-
Sunway Management Sdn Bhd	21.07.2011	-
Sunway Lagoon Club Berhad	08.01.2001	28.04.2015
Sunway PALS Loyalty Sdn Bhd	18.06.2012	-
Pembangunan Risjaya Sdn Bhd	27.07.2010	05.01.2011
Sunway Bangi Sdn Bhd	27.07.2010	05.01.2011
Sunway Hydraulic Industries Sdn Bhd	02.09.2008	02.08.2011
Sunway Kanching Heights Sdn Bhd	27.07.2010	05.01.2011
Sunway Rawang Heights Sdn Bhd	27.07.2010	05.01.2011
Sunway Rydgeway Sdn Bhd	01.12.2008	05.01.2011
Sunway Termuning Sdn Bhd	01.12.2008	05.01.2011
SunwayMas Sdn Bhd	28.07.2010	05.01.2011

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Name of subsidiaries	Date of appointment	Date of resignation/cessation
Companies incorporated outside Malaysia		
Sunway Global Limited	01.04.2011	-
Sunway Building Materials (Shanghai) Co. Ltd	08.02.2013	-
Sunway Spun Pile (Zhuhai) Co. Ltd	01.04.2011	-
Sunway Xin Long (Anhui) Hydraulic Co. Ltd	15.08.2011	-
Sunway Trading (Shanghai) Pte Ltd	31.08.2006	-
Sunway Daechang Forging (Anhui) Co. Ltd	15.08.2011	-
Sunway International Trading (Tianjin) Pte Ltd	06.05.2010	-
Sunway Real Estate (China) Ltd	01.04.2012	-
Sunway Daechang Forging Investment Limited	03.11.2008	-
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd	24.10.2011	-
Tianjin Eco-City Sunway Property Development Co. Ltd	09.06.2011	-
Sunway City (S'pore) Pte Ltd	20.03.2012	-
Sunway Investment Management Consultancy (Shanghai) Co. Ltd	02.11.2011	-

^A Following the LPD, the principal activities of Eco World International Berhad have been changed to "new company to be engaged in real-estate development overseas".

Deco Style Sdn Bhd, Sunway Design Sdn Bhd, Sunway Quarry Industries Sdn Bhd, Sunway Paving Solutions Sdn Bhd and Sunway Quarry (Kuala Kangsar) Sdn Bhd

The above-mentioned companies have similar business activities in respect of products, services and/or activities. However, our Group and the above companies are unlikely to compete with one another in view that none of the above companies are general construction contractors. Deco Style Sdn Bhd and Sunway Design Sdn Bhd are involved in renovation and interior design work for completed commercial and residential projects, which our Group is not involved in on a stand-alone basis (i.e. independent from its end-to-end construction services activities). Deco Style Sdn Bhd and Sunway Design Sdn Bhd carry out such renovation and interior design work activities as an extension of the property development activities of the Sunway Group and the Sunway Group does not have any other construction businesses other than that carried out by the SGFE Group (as defined below), which the Sunway Group is in the midst of disposing and which operates in different geographical regions from our Group. The SGFE Group has historically primarily carried out operations in the People's Republic of China, Macau and Indonesia.

Insofar as Sunway Quarry Industries Sdn Bhd, Sunway Paving Solutions Sdn Bhd and Sunway Quarry (Kuala Kangsar) Sdn Bhd are concerned, such entities carry out the manufacturing, supply and/or sale of specific building materials and the carrying out of construction related works by such entities utilising such building materials arises from the existing businesses of such entities, which do not directly compete with the existing principal business activities of our Group.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Sunway GD Foundation Engineering Co Ltd ("SGFE"), Shanghai Xinhetai Construction Ltd, Sunway GD Foundation Engineering Technical Advisory (Shanghai) Co Ltd, PT Sunway Construction Engineering and Shanghai Sunway Geotechnics Engineering Co Ltd (collectively, the "SGFE Group")

As at the LPD, Sunway has an equity interest of 60% in SGFE ("SGFE Shares"). The SGFE Group is principally involved in construction and piling services, which is a similar business as our Group.

Sunway's presence via the SGFE Group in the construction industry will not give rise to a conflict of interest situation between the construction businesses of our Group and the Sunway Group, for the following reasons:

- (i) As the equity interest held in the SGFE Group does not form a core or strategic part of the business of the Sunway Group, it is the intention of Sunway to dispose of such interest. Sunway Group has already initiated the disposal of the SGFE Group in 2012. The sale and purchase agreements in relation to the said disposal have been executed and the transfer of the SGFE Shares to one Yu De Mao ("YDM") is expected to be completed in due course. The current status of the disposal transaction is as follows:
 - (a) Via an Equity Sale and Purchase Agreement dated 12 July 2012 ("Equity SPA") entered into between Sunway Global Ltd ("Sunway Global") and YDM, Sunway Global agreed to transfer its equity interest in SGFE to YDM in consideration of YDM discharging all the SGFE Group's liabilities of approximately RMB47,922,302 (equivalent to approximately RM28,358,501.43*) ("SGFE's Liabilities");
 - (b) YDM defaulted in the payment of the SGFE Liabilities, with an outstanding sum remaining unpaid of RMB31,532,782.02 (equivalent to approximately RM18,659,839.09*) ("Outstanding Sum"). Sunway Global subsequently entered into a Sale and Purchase Agreement dated 12 August 2013 ("2013 SPA") with YDM and GD Capital Holdings Sdn Bhd ("GD Capital") which if completed, would see Sunway Global acquire 8.83% of the issued share capital of GD Capital Pte Ltd, which would, if the 2013 SPA had been completed in accordance with its terms, have become the ultimate holding company of GD Properties (XuanCheng) Co Ltd, a company established under the laws of the People's Republic of China and the land use rights holder of a plot of land known as Plot 8-1-1709 located at Xuancheng Economic and Technology Development, People's Republic of China, for the development of Plot 8-1-1709 into residential units;
 - (c) Prior to the completion of the 2013 SPA, GD Capital had in March 2014 assigned its rights, interests and responsibilities and obligations as contained in the Joint Venture Agreement dated 27 October 2010 between GD Capital and Xuancheng Management Committee on Economic and Technical Development relating to the development of, amongst others, Plot 8-1-1709 to Sociedade De Investimento E Desenvolvimento Glory, Limitada ("Macau Glory"). Macau Glory incorporated MGlory Pte Ltd which then became the ultimate holding company of GD Properties (XuanCheng) Co Ltd through the acquisition of 90% of the shares in GD Properties and Holding (Macau) Co Ltd (the holding company of GD Properties (XuanCheng) Co Ltd). The remaining 10% of the shares in GD Properties and Holding (Macau) Co Ltd is held by Tong Sao Cheng, a substantial shareholder of Macau Glory, as Macau laws require a minimum of 2 shareholders.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- (d) Consequently, Sunway Global entered into a Sale and Purchase Agreement on 24 October 2014 ("2014 SPA") with Macau Glory relating to the sale and purchase of 3,932 shares in its subsidiary, MGlory Pte Ltd ("MGlory Sale Shares") in consideration of a cash payment of RMB12,000,000 (equivalent to approximately RM7,101,120*) payable in US Dollars and Sunway Global providing advice and assistance to GD Properties (XuanCheng) Co Ltd. The purchase consideration has been fully settled and the transfer of the MGlory Sale Shares has been completed. Following the completion of the acquisition of the MGlory Sale Shares, Sunway Global holds a 39.32% equity interest in MGlory Pte Ltd; and
- (e) Sunway Global, YDM and GD Capital have entered into a Termination Agreement dated 17 December 2014 for the purpose of terminating the 2013 SPA. The Termination Agreement stipulated that the transfer of SGFE Shares to YDM shall be completed and the parties will be discharged from further observance and performance, outstanding liabilities and obligations, in connection with the Equity SPA upon the completion of the 2014 SPA.
- (ii) Based on the principal activities of the SGFE Group as disclosed in the latest available audited financial statements of the SGFE Group, the non-dormant subsidiaries of SGFE are involved in providing construction and piling services in Indonesia, Macau and the People's Republic of China, where our Group presently has no presence. It is the intention of Sunway to see through the completion of the disposal of SGFE (whether to YDM or, if the disposal to YDM is ultimately unsuccessful, to such other third party/parties as may be identified). Furthermore, even if the disposal of SGFE does not complete, Sunway has no intention to continue with the businesses of the SGFE Group. In this respect, it is noted that the value of Sunway's entire investment in the SGFE Group has been fully written down in the accounts of the Sunway Group.

Note:

* Based on exchange rate of RMB1.00 : RM0.59176 as at 29 May 2015 (Source: Bloomberg L.P.)

WZ Satu Berhad ("WZ Satu")

Dato' Siow Kim Lun was previously an Independent Non-Executive Director of WZ Satu and is currently holding less than 0.1% equity interest in WZ Satu, an investment holding company whose subsidiaries are involved in the manufacturing of cold-drawn steel products, fabrication and installation of skid packages and pipeline projects for the oil and gas industry and civil engineering and construction. One of the wholly-owned subsidiaries of WZ Satu, WZS KenKeong Sdn Bhd, is involved in the principal activities of general construction, contractor and builders. WZS KenKeong Sdn Bhd is a registered Grade G7 construction company with CIDB whose completed and current ongoing construction projects include bridge construction works, earthworks, basement substructure works, drainage works and road construction projects. There is no conflict of interest situation as Dato' Siow Kim Lun is merely holding less than 0.1% of the equity interest in WZ Satu, which is an investment holding company with subsidiaries involved in various businesses. By acting as a minority shareholder of WZ Satu, he is not involving in the management or operation of WZ Satu.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

The involvement of our Executive Directors in other businesses set out above does not preclude them from allocating most of their time to our Group because the daily operations in those businesses are managed by the respective companies' personnel. They only attend meetings of other boards on which they serve and accordingly discharge their principal areas of responsibility as directors of those companies. They have been and have ensured that they would be able to fulfil and discharge their duties and responsibilities effectively as our Directors. As such, our Executive Directors' involvements in other businesses and operations outside of our Group are not expected to have any material effect on their contribution to our Group. In the event of any possible direct conflict of interests between our Group and any company in which our Directors have an interest, our relevant affected Director will (to the extent that he, having made all reasonable enquiries and to the best of his knowledge and belief, is aware of such potential conflict) disclose the conflict or potential conflict to the Board and he will refrain from all deliberations and voting at the board meeting and, if applicable, both himself and persons connected to him will refrain from voting at the shareholders' meeting convened to consider and approve any conflicting transaction.

Our Audit Committee will supervise any conflict of interest or potential conflict of interest situations and the Directors of our Company will disclose such conflict of interest situations, if any, for resolution as and when they arise.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.2.4 Directors' Remuneration and Material Benefits-in-Kind

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred compensation accrued for the year) paid and proposed to be paid to our Directors for their services rendered in all capacities within our Group for the FYE 31 December 2014 and the FYE 31 December 2015 are set out below:

Directors	Remuneration Band	
	FYE 31 December 2014 (RM)	Proposed for FYE 31 December 2015 (RM)
Dato' Ir Goh Chye Koon	0 – 50,000	50,000 – 100,000
Kwan Foh Kwai	4.35 million – 4.4 million*	3.3 million – 3.35 million
Dato' Siow Kim Lun	0 – 50,000	50,000 – 100,000
Dato' Dr Ir Johari Bin Basri	0 – 50,000	50,000 – 100,000
Dato' Chew Chee Kin	0 – 50,000	50,000 – 100,000
Evan Cheah	0 – 50,000	50,000 – 100,000

Note:

* Inclusive of incentives for the year 2012 and year 2013 amounting to RM907,563 and RM1,222,689 respectively.

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits must be considered and recommended by the Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

8.3 BOARD PRACTICES

8.3.1 Directors' Term of Office

Our Board is entrusted with the responsibility for the overall direction, strategy, performance and management of our Group. The number of years that our Directors have served in office and the date of expiration of their respective term of office are as follows:

Directors	Designation	Date of appointment as Director	Date of expiration of the current term of office	No. of year(s) in office
Dato' Ir Goh Chye Koon	Independent Non-Executive Chairman/ Senior Independent Non-Executive Director	17 October 2014	*	<1 year
Kwan Foh Kwai	Senior Managing Director	18 September 2014	*	<1 year
Dato' Siow Kim Lun	Independent Non-Executive Director	17 October 2014	*	<1 year
Dato' Dr Ir Johari Bin Basri	Independent Non-Executive Director	17 October 2014	*	<1 year
Dato' Chew Chee Kin	Non-Independent Non-Executive Director	17 October 2014	*	<1 year
Evan Cheah	Non-Independent Non-Executive Director	18 September 2014	*	<1 year

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Note:

* *In accordance with Article 107 (1) of our Articles of Association, at the first annual general meeting, all our Directors shall retire from office and at the annual general meeting in every subsequent year, one-third (1/3) of our Directors or if the number is not 3 or a multiple of three (3), the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all our Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.*

For Director who is over the age of 70, he is subject to retirement at every annual general meeting pursuant to Section 129(6) of the Act.

According to our Articles of Association, all the Directors (including the managing director) shall retire from office at the first annual general meeting of our Company, and one-third of our Directors are subject to retirement by rotation such that each Director shall retire once in every three years or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office at each annual general meeting.

Our Directors to retire every year shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed as Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

A Director appointed by our Directors to fill in a casual vacancy or as an addition to our existing Board, shall hold office only until the next annual general meeting of our Company and shall then be eligible for re-election.

8.3.2 Audit Committee

Our Audit Committee was established by our Board on 6 November 2014. The main function of our Audit Committee is to assist our Board in performing its duties and discharging its responsibilities in evaluating our financial statements, internal control and the audit process. Our Audit Committee currently comprises the following members, of which a majority are Independent Non-Executive Director.

Name	Designation	Directorship
Dato' Siow Kim Lun	Chairman	Independent Non-Executive Director
Dato' Ir Goh Chye Koon	Member	Independent Non-Executive Chairman/Senior Independent Non-Executive Director
Dato' Dr. Ir Johari Bin Basri	Member	Independent Non-Executive Director
Evan Cheah	Member	Non-Independent Non-Executive Director

The terms of reference of our Audit Committee, amongst others, include the following:

- (i) Reviews with the external auditors, the audit plan and their evaluation of the internal control systems and the external audit report;
- (ii) Reviews the financial statements of our Group prior to submission to our Board;

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- (iii) Reviews the adequacy and relevance of the scope, functions, competency and resources of the internal audit function and the necessary authority to carry out its work;
- (iv) Reviews the audit plan of work programme and results of internal audit processes including recommendations and actions taken;
- (v) Review the propriety of any related party transaction and conflict of interest situation that may arise within our Company or our Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (vi) Recommends to our Board regarding the appointment of the external auditors; and
- (vii) Obtain advice from independent parties and other professionals, where necessary, in discharging their duties.

Our Audit Committee may obtain advice from independent parties and other professionals in discharging their duties.

8.3.3 Remuneration Committee

Our Remuneration Committee was formed by our Board on 6 November 2014. Our Remuneration Committee currently comprises the following members, of which a majority are Independent Non-Executive Directors is set out below:

Name	Designation	Directorship
Dato' Chew Chee Kin	Chairman	Non-Independent Non-Executive Director
Dato' Ir Goh Chye Koon	Member	Independent Non-Executive Chairman/Senior Independent Non-Executive Director
Dato' Siow Kim Lun	Member	Independent Non-Executive Director
Dato' Dr. Ir Johari Bin Basri	Member	Independent Non-Executive Director

The terms of reference of our Remuneration Committee, amongst others, include the following:

- (i) Recommend to our Board the remuneration of our executive directors;
- (ii) Conduct continued assessment of our individual Executive Directors to ensure that remuneration is directly related to corporate and individual performance and to ensure that the base salary element is competitive and fair;
- (iii) Obtain advice and information from external source, if necessary, to compare the remuneration currently earned by our Executive Directors and those paid to executive directors of other companies of a similar size in a comparable industry sector; and

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- (iv) Advise on and monitor, a suitable performance related formula for our Executive Directors.

8.3.4 Nomination Committee

Our Nomination Committee was established by our Board on 6 November 2014. Our Nomination Committee currently comprises the following members, of which a majority are Independent Non-Executive Directors. The composition of our Nomination Committee is set out below:

Name	Designation	Directorship
Dato' Ir Goh Chye Koon	Chairman	Independent Non-Executive Chairman/Senior Independent Non-Executive Director
Dato' Siow Kim Lun	Member	Independent Non-Executive Director
Dato' Dr. Ir Johari Bin Basri	Member	Independent Non-Executive Director
Dato' Chew Chee Kin	Member	Non-Independent Non-Executive Director

The terms of reference of our Nomination Committee, amongst others, include the following:

- (i) to determine the core competencies and skills required of directors to best serve the business and operations of our Company and our Group as a whole and the optimum size of our Board to reflect the desired skills and competencies;
- (ii) to review the size of our Non-Executive Directors, our Board's balance and determine if additional directors are required and also to ensure that at least one-third (1/3) of our Board is independent;
- (iii) to recommend to our Board on the appropriate number of directors to comprise our Board which should fairly reflect the investments of the minority shareholders in our Company, and whether our current Board representation satisfies this requirement;
- (iv) to consider, in making its recommendation, candidates for directorship and senior executive proposed by our Chairman and within the bounds of practicability, by any other senior executive or any of our Director or shareholder;
- (v) to undertake a review of the required mix of skills, experience and other qualities of directors, including core competencies which our Non-Executive Directors should bring to our Board as well as independence and diversity (including gender diversity) of the board composition which is required to meet the needs of our Company, and to disclose this in the annual report of our Company;

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- (vi) to assist our Board to implement a procedure to be carried out by our Board Committees for assessing the effectiveness of our Board as a whole and our Board Committees, as well as for assessing the contributions and performance of our individual directors and our Board Committees members;
- (vii) to recommend to our Board the membership of our Board Committees; and
- (viii) to execute other related functions to achieve the objective of the establishment of our Nomination Committee.

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8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)**8.4 KEY MANAGEMENT****8.4.1 Shareholdings of Our Key Management**

The following table sets out the direct and indirect shareholdings of our key management in our Company before and after the Listing:

Name	After Distribution and before Listing		After Listing - Assuming the Over-allotment Option is not exercised ⁽¹⁾		After Listing - Assuming the Over-allotment Option is fully exercised ⁽¹⁾			
	No. of Shares	(%)	Direct	Indirect	Direct	Indirect		
Kwan Foh Kwai	105,216	0.01	46,685 ⁽²⁾	#	605,216	0.05	46,685 ⁽²⁾	#
Chung Soo Kiong	4,046	#	-	-	404,046	0.03	-	-
Thomas Samuel A/L C T Samuel	2,000	#	-	-	302,000	0.02	-	-
Liew Kok Wing	-	-	-	-	220,000	0.02	-	-
Wong Kwan Song, Richard	3,371	#	-	-	223,371	0.02	-	-
Eric Tan Chee Hin	13,500	#	-	-	233,500	0.02	-	-
Yip Lai Hun	3,000	#	-	-	223,000	0.02	-	-
Akira Yabe	-	-	-	-	220,000	0.02	-	-
Ng Bee Lien	1,500	#	-	-	221,500	0.02	-	-
Kwong Tzyy En	4,000	#	-	-	224,000	0.02	-	-

Notes:

Negligible.

(1) The shareholdings shown in the table above includes the pink form allocation under the Pink Form Offer as set out in Section 3.6.2(b) of this Prospectus assuming the pink form allocation is subscribed in full by the respective key management with no other application through the Retail Offering.

(2) Deemed interest by virtue of Section 6A of the Act held through spouse.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.4.2 Profiles of the Key Management

The profile of Kwan Foh Kwai is set out in Section 8.2.2 of this Prospectus.

(i) Chung Soo Kiong
Deputy Managing Director

Chung Soo Kiong, aged 48, is our Deputy Managing Director.

He graduated with a Bachelor of Science (Hons) degree in Quantity Surveying from the University of Abertay Dundee in 1995 and also holds a Diploma in Building (Technology) from Tunku Abdul Rahman College, which he obtained in 1990.

Chung Soo Kiong began his career with TAISEI Corporation in 1990 where over a period of seven years he rose to the position of Section Manager – Quantity Surveying. He was responsible for carrying out pre- and post-contract works for various projects, including the KL International Airport Project, Plaza Pelangi Shopping Complex in Johor Bahru and DBKL-Pernas Sogo Commercial Development/Shopping Complex. In 1997, he joined SunCon and served as the Contract Manager of Business Development & Marketing Department. His role included overall management of the contracts administration and operations and pre- and post-contract related matters of various projects and developing strategies to identify and venture into new potential businesses and/or markets. Thereafter, Chung Soo Kiong acted as the Country Manager/Project Director of Sunway Innopave Sdn. Bhd. (Abu Dhabi Branch) for the period from 2007 to 2013.

He has held the position of Deputy Managing Director of SunCon since 2013 and has over 20 years of experience in the construction sector.

(ii) Thomas Samuel A/L C T Samuel
Executive Director – Foundation and Geotechnical Engineering Division

Thomas Samuel, aged 55, is our Executive Director - Foundation and Geotechnical Engineering Division.

He graduated with a Bachelor of Engineering (Hons) degree from the University of Malaya in 1983. Subsequently in 2002, he graduated with a Master's Degree in Business Administration from Heriot Watt University.

Thomas Samuel began his career as a project engineer in the specialised field of geotechnical engineering with Pilecon Engineering Bhd in April 1983. He was involved in several projects with the most significant being the piled embankments on the Jasin to Pagoh section of the North South Expressway. He helped developed the technique of using extensive cone penetration testing to predict pile lengths for driven piles at different locations on the expressway from 1985 to 1987.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

In October 1988, he joined Bauer Malaysia Sdn Bhd. In a career spanning 26 years in Bauer Malaysia Sdn Bhd, he was extensively involved with the development and installation of large diameter deep bored piles for the Malaysian market. This included drilling piles in a variety of sub ground conditions. He was also involved in development of new techniques for borehole stabilization using third generation polymers and the development of removable temporary ground anchors. He also helped to successfully introduce into the Malaysian market the installation of high strength soil cement columns for stabilization of road and rail embankments.

On 15 January 2015, Thomas Samuel joined Sunway Geotechnics (M) as an executive director. His principal job responsibilities include the development and supervision of foundation solutions for complex ground conditions for buildings and infrastructure projects undertaken by the SunCon Group as a main contractor.

Thomas Samuel is currently the Vice President of the Master Builders Association of Malaysia (MBAM), where he has been an active council member since 2008.

(iii) Liew Kok Wing
Senior General Manager – Civil Division

Liew Kok Wing, aged 46, is our Senior General Manager – Civil Division.

He graduated with a Bachelor of Engineering (Hons) degree in Civil Engineering in 1993 from the National University of Singapore and also holds a Master of Science Degree in Civil Engineering from the National University of Singapore.

Liew Kok Wing began his career with L & M Geotechnic in Singapore in 1993, where he acted as a Project Engineer at various construction projects in Singapore. In 1996, he was transferred to L & M Systems, Thailand as a Project Manager in charge of infrastructure works for a low rise luxury housing project in Bangkok. In the same year, he left to join Taylor Woodrow Projects (M) Bhd as a Geotechnical Engineer before joining SunCon.

From November 1996 to March 1998, he served as the Senior Geotechnical Engineer in SunCon, where he was involved in geotechnical works for various projects undertaken by SunCon in Malaysia. He then joined Nishimatsu Construction Company of Singapore as a Senior Engineer in April 1998, where he was in charge of open shield tunnel boring works for an MRT construction project. He rejoined SunCon in 2000 as Site Agent and was promoted during the course of overseeing various projects undertaken by the SunCon Group in Malaysia and India to the positions of Deputy Project Manager, Project Manager and Senior Project Manager and then, in 2005, to the position of Assistant General Manager. He is currently the Senior General Manager – Civil Division heading the Civil Engineering Business Unit, a position he has held since 2013. He has more than 20 years of experience in the construction field.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

(iv) Wong Kwan Song, Richard
Senior General Manager – Building Division

Wong Kwan Song, Richard, aged 50, is our Senior General Manager – Building Division.

He graduated with a Bachelor of Engineering (Hons) degree in Civil Engineering from the University of Portsmouth in 1999. He had earlier obtained a Certificate in Technology (Building) from Tunku Abdul Rahman College in 1986.

He started his career in 1987 at Syarikat Pembinaan Perlis Sdn Bhd, where he served as a Site Supervisor. He joined Syarikat Pembinaan YTL Sdn Bhd in 1988 for a year, where he worked as a Site Supervisor, before joining SunCon in 1989. From 1989 to 1995, he worked as Site Supervisor and later, Site Agent of SunCon, where he was overseeing various construction projects. Thereafter, he joined Setarabina Sdn Bhd in 1995 and served as a Project Manager before rejoining SunCon in 1999. He has held various positions in the SunCon Group during his 15 year tenure with the SunCon Group, including Deputy Manager - Project, Manager - Project, Senior Manager - Project, Assistant Manager - Operations, General Manager - Operations and, since 2012, Senior General Manager.

Wong Kwan Song, Richard has over 27 years of experience in the building and construction industry. His experience ranges from low-rise residential homes to large scale shopping complexes, service apartments, hotels and office buildings.

As Senior General Manager – Building Division of our Group, Wong Kwan Song, Richard acts as the head of the Building Division. His role includes overseeing the overall planning and coordination of construction projects from conceptualisation, design, construction through to completion within established budgets, schedules and quality standards.

(v) Eric Tan Chee Hin
Senior General Manager – MEP Division

Eric Tan Chee Hin, aged 42, is our Senior General Manager – MEP Division.

He graduated with a Bachelor of Engineering degree in Mechanical Engineering from Universiti Sains Malaysia in 1996 and subsequently obtained a Master of Business Administration degree in 2001 from The Nottingham Trent University. He is a registered engineer with the Board of Engineers Malaysia, and a registered GBI (Green Building Index) Facilitator and GBI Commissioning Specialist (CxS) with GreenBuildingIndex Sdn Bhd.

He began his career with SSP (E&M) Sdn Bhd in 1996 where he served as a Mechanical Engineer. In 2000, he joined Sunway Engineering Sdn Bhd and has held various positions in the company during his tenure of almost 14 years with SunCon Group, including Design Manager, Senior Design Manager/Senior Project Manager, Assistant General Manager, General Manager and, since 2013, Senior General Manager.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Eric Tan has over 18 years of experience in construction design and engineering and oversees the design management and mechanical, electrical and plumbing engineering (MEP) operations of the SunCon Group.

(vi) Kwong Tzyy En
Senior General Manager – Precast Division

Kwong Tzyy En, a Singapore national aged 55, is our Senior General Manager – Precast Division.

He holds the academic qualification of General Certificate of Education (GCE) 'A' Levels, which he obtained in 1978.

Kwong Tzyy En held the position of Managing Director in Huey Long Construction Co. from 1981 to 1988, where he specialised in underground telecom piping. In 1989, he joined Spandek Engineering Pte Ltd and served as the Production Manager overseeing the supply of precast components for both HDB and private projects. Thereafter, he held the position of Senior Production Manager at L & M Precast Pte Ltd from 1992 to 2000 and Hanson Precast Pte Ltd from 2000 to 2001. He joined Sunway Concrete Products (S) in 2001 and has held various positions based primarily in Singapore during his tenure of almost 14 years with the SunCon Group, including Operations Manager, Senior Operations Manager, Assistant General Manager and, since 2011, General Manager.

His responsibilities include marketing and contracts, the overall planning, organising and overseeing the operations of Sunway Concrete Products (S). Kwong Tzyy En has more than 20 years of experience in the construction sector, particularly in the area of the precast concrete industry.

(vii) Yip Lai Hun
Senior General Manager – Supply Chain & Contracts Management

Yip Lai Hun, aged 48, is our Senior General Manager – Supply Chain & Contracts Management.

She holds a Diploma in Technology (Building) and a Certificate in Technology (Architecture) from Tunku Abdul Rahman College, which she obtained in 1990 and 1987 respectively.

Yip Lai Hun began her career in 1990 as an Assistant Quantity Surveyor in MBF Builders Sdn Bhd and in 1991, she joined Rinota Construction Sdn Bhd where she served as a Quantity Surveyor. She then worked as a Quantity Surveyor with J.V. NLC Construction (Nishimatshu - Lum Chang) from 1992 to 1993. Subsequently, she joined SunCon in 1993 and she has held various positions during her 21 year tenure with the SunCon Group, including Assistant Estimator, Estimator, Senior Estimator, Assistant Manager - Contracts, Manager - Contracts, Senior Manager - Contracts, Assistant General Manager - Contracts, General Manager - Contracts and, since 2013, Senior General Manager - Supply Chain & Contracts Management.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

With the benefit of more than 24 years of experience in tendering, subcontracting, contracts administration, ICT system development and maintenance, quantity surveying and implementing Quality Environmental Safety and Health (QESH) Management System, Yip Lai Hun is responsible for overseeing the supply chain and contracts management functions of the SunCon Group.

(viii) Ng Bee Lien
Senior General Manager – Finance

Ng Bee Lien, aged 42, is our Senior General Manager – Finance.

She graduated with a Bachelor of Commerce majoring in Finance from the University of Western Australia in 1994 and is a Chartered Accountant with the Malaysian Institute of Accountants (MIA).

Ng Bee Lien worked as an auditor with Ernst & Young during the period from 1994 to 1997 and her last held position was Audit Senior Executive. Thereafter, she joined Muhibbah Engineering (M) Bhd in 1997 where she served as Accountant. In 2005, she joined SunCon as Senior Manager. Subsequently, she was promoted to Assistant General Manager and General Manager, a position that she has held since 2011. Ng Bee Lien has recently been promoted to Senior General Manager of Finance effective May 2015.

As Senior General Manager of SunCon, she takes charge of the finance department functions of the SunCon Group.

She has over 20 years of working experience in finance and audit, with over 16 years of such working experience specifically in the construction sector.

(ix) Akira Yabe
Director – Special Projects

Akira Yabe, a Japanese national aged 58, is our Director – Special Projects.

He graduated with a Bachelor of Science & Engineering degree from Waseda University in 1979. Akira Yabe is a Professional Engineer, Japan (P.E. Jp – Civil Engineering and Comprehensive Technical Management), Registered Architect (1st Class), Registered Construction Engineer (1st Class) and Japan Concrete Institute (JCI) Authorised Chief Concrete Engineer.

Akira Yabe began his career with TAISEI Corporation in 1979 as a Construction Engineer, where he was assigned to work in different branch offices on project basis. He held various positions during his almost 30 year tenure at TAISEI Corporation, including Construction Engineer, Senior Construction Engineer, Deputy Project Manager and Project Manager, in Japan, Malaysia and Egypt. In 2008, he joined Yamashita Sekkei and served as a Manager in the Technical Direction Office. Thereafter, he joined the SunCon Group in 2010, where he was subsequently promoted to the position of Director – Quality Environmental Safety & Health in year 2012 before assuming the position of Director – Total Quality Management (Centre of Excellence) in 2013.

Akira Yabe has over 35 years of experience in the building and construction industry.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.4.3 Involvement of Our Key Management in Other Principal Businesses Activities/Corporations

As at the LPD, save as disclosed below and Section 8.2.3 of this Prospectus, none of our key management are involved in other principal businesses activities or corporations (which are not dormant), save and except for the operations of our Group:

Name	Name of Company/ Place of Incorporation	Principal Activities	Designation	Shareholding %
Yip Lai Hun	First Cornerstone Sdn Bhd/ Malaysia	Property investment	Director and Shareholder	67
	Sincere Bid (M) Sdn Bhd/ Malaysia	Investment holding	Shareholder	1.14
Eric Tan Chee Hin	Sincere Bid (M) Sdn Bhd/ Malaysia	Investment holding	Shareholder	6.94
Wong Kwan Song	Sincere Bid (M) Sdn Bhd/ Malaysia	Investment holding	Shareholder	1.14

Our key management are of the view that their involvements in the principal businesses activities and corporations above do not have any material effect on their capacity within our Group and would not be expected to affect the operations of our Group.

Their involvement in the above principal businesses do not required a significant amount of their time as they are merely directors of these companies and/or do not hold any executive position in these companies and hence, are not required to spend a significant amount of time on the affairs of these companies. Hence, our key management's involvement in these companies neither materially nor adversely affect their contribution to our Group.

As such, our key management devote most of their working time and effort to their executive functions in our Group. Their ability to act as our key management of our Group is not expected to change going forward.

8.5 DECLARATION FROM OUR PROMOTERS, DIRECTORS AND KEY MANAGEMENT

As at the LPD, none of our Promoters, Directors and key management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- (iii) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) any judgment was entered against him involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (v) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.6 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships or associations between our Promoters, substantial shareholders, Directors and key management:

Name	Relationship/Association
Tan Sri Jeffrey Cheah	Tan Sri Jeffrey Cheah, our Promoter and substantial shareholder, is the spouse of Puan Sri Susan Cheah and the father to Sarena Cheah and Evan Cheah, who are both our Promoters and substantial shareholders. Evan Cheah is also our Non-Independent Non-Executive Director.
Puan Sri Susan Cheah	Puan Sri Susan Cheah, our Promoter and substantial shareholder, is the spouse of Tan Sri Jeffrey Cheah. She is the mother to Sarena Cheah and Evan Cheah, who are both our Promoters and substantial shareholders. Evan Cheah is also our Non-Independent Non-Executive Director.
Sarena Cheah	Sarena Cheah, our Promoter and substantial shareholder, is the child of Tan Sri Jeffrey Cheah and Puan Sri Susan Cheah. She is the sister to Evan Cheah, who is our Promoter, substantial shareholder and Non-Independent Non-Executive Director.
Evan Cheah	Evan Cheah, our Promoter, substantial shareholder and Non-Independent Non-Executive Director, is the child of Tan Sri Jeffrey Cheah and Puan Sri Susan Cheah. He is the brother to Sarena Cheah, who is our Promoter and substantial shareholder.
Sungei Way Corporation	A company controlled or owned by Active Equity, which in turn controlled by Tan Sri Jeffrey Cheah, Sarena Cheah and Evan Cheah.
Active Equity	A company controlled or owned by Tan Sri Jeffrey Cheah, Sarena Cheah and Evan Cheah.
Jef-San	A company controlled or owned by Tan Sri Jeffrey Cheah and Puan Sri Susan Cheah.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

8.7 BENEFITS PAID OR INTENDED TO BE PAID

Save as disclosed in Section 8.2.4, there are no amounts or benefits paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholders within the two years preceding the LPD.

8.8 EXISTING OR PROPOSED SERVICE AGREEMENT

As at the LPD, there is no existing or proposed service agreement(s) between the SCG Group and the Directors and key management, save for standard employment contracts containing normal terms of employment.

8.9 EMPLOYEES

As at the LPD, we employed a total of 2,170 employees, of which 1,361 are permanent staff and the remaining 809 contract staff. From these 2,170 employees, we employ a total of 606 foreigners in our Group, of which 59 are managers, executives and non-executives and 547 construction workers.

Employee type	Employees as at 31 December			As at the LPD
	2012	2013	2014	
Permanent	1,257	1,446	1,424	1,361
Contract	588	983	911	809
Total	1,845	2,429	2,335	2,170

Employee type	Employees as at 31 December			As at the LPD
	2012	2013	2014	
Malaysian	1,357	1,649	1,629	1,564
Foreigners	488	780	706	606
Total	1,845	2,429	2,335	2,170

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

The following table sets forth our permanent headcount for the FYE 31 December 2012, 31 December 2013, 31 December 2014 and as at the LPD respectively.

Job function	Permanent employees as at 31 December			As at the LPD	Average year(s) of service as at the LPD			
	2012	2013	2014		<1 year	1 – 5 years	6 – 10 years	> 10 years
Senior management	41	36	33	34	1	1	9	23
Managers	140	144	123	138	3	36	43	56
Executives	596	686	676	646	22	448	91	85
Non-executives	370	418	436	418	6	250	79	83
Security	110	162	156	125	9	77	28	11
Total	1,257	1,446	1,424	1,361	41	812	250	258

8.10 TRAINING AND DEVELOPMENT

We are committed to employee development, and regularly invest in programmes that promote employee advancement to meet our specific business needs while continuously enhancing the qualifications of our staff so as to maintain and enhance our competitiveness and our know-how as we continue to grow. We provide our employees with opportunities to participate in training programmes, such as those relating to leadership, our business operations, productivity, resource management and work safety.

We adopt a 3-pronged approach to training and development based on the following principles of learning:

- learn by doing: We believe in developing employees by involving them in cross department and/or industry projects, short and/or long term assignments, and enlargement of job scope;
- learn from others: We conduct mentoring programmes which allow employees to learn from senior management personnel. Through these sessions, we facilitate the transfer of tacit knowledge and experience. Coaching by managers is also adopted as an effective way of developing others; and
- learn from training: We provide extensive training programmes for our employees. These programmes range from those which build technical skills to those which develop non-technical skills, such as personal effectiveness, team leadership, entrepreneurial skills, strategy building and change management.

We undertake the following training programmes for our employees:

- leadership skills – Leadership skills development focuses on developing our employees in strategic thinking, leading others, developing others, interpersonal skills, passion for excellence and customer focus;

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- technical or functional skills – Project management, quality control and assurance, safety, health and environment training, product training and information, communications and technology training;
- managerial skills – This encompasses skills such as coaching, delegation, planning, monitoring and evaluation of performance and presentation; and
- management knowledge – Marketing, finance, strategic planning, operations management, human resource management and sales management.

Our employees are encouraged to attend training courses relevant to their job role. We are committed to developing and preparing the more promising employees for future leadership roles in the company. In doing so, we have a range of talent development programmes aimed at developing employees to assume middle and senior management positions including:

- **Sunway Managerial Advancement for Recruited Trainees (“SMART”) Programme**

The SMART Programme was initiated in 2002 to identify and recruit aspiring and talented fresh graduates, and accelerate job competencies at entry levels to better manage and develop our Group's talent pool. The SMART Programme aims to recruit, train and retain talented Malaysian graduates with excellent academic results and a track record of leadership capabilities.

- **Emerging Leaders Programme**

The Emerging Leaders Programme is designed for our junior employees who have been identified as potential managers. This programme aims to develop their leadership skills, increase their understanding of various functions of our Group's business units, and also expose them to the rest of our Group through secondment or cross movement within their business units or to lead cross functional projects.

- **Developing Leaders Programme**

Middle management employees will be enrolled for our Developing Leaders Programme which aims to develop their people management skills, team development skills and problem solving skills by working on strategic projects, as well as to strengthen their knowledge in key business area through diversification of roles or to provide leadership opportunities in strategic projects outside his/her own business unit.

- **Advanced Leaders Programme**

Our Advanced Leaders Programme is designed for employees who are leading business units, and provides them with opportunities to build leadership network across and outside our Group, become an ambassador to the Sunway leadership culture, and most importantly, lead change and establish best practices that are critical to the success of their respective business units.

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

- **Build 1 Programme**

The Build 1 Programme is designed for our managers and assistant managers where it aims to provide these employees with core managerial skills required to be managers. Our managers and assistant managers who have attended the Build 1 Programme will be equipped to understand their roles as managers and drive performance within their respective teams, plan and execute plans that are aligned to our Group's business objectives, motivate teams through effective communication and better engagement and embrace and execute the culture of coaching for improved business unit development and performance. We are currently developing the Build 2 Program as a successor to the Build 1 Programme.

It is a central tenet of our human resources policy to ensure that individuals are empowered and that their career pathways are individually tailored. We realise that prospects for career development are a top priority for our employees and structured career paths provide clarity in ensuring that our organisation is a great place to work. We encourage employees to discuss their career aspirations and opportunities regularly with their line manager so that they can get the most out of their career at our organisation. In addition, we also provide sponsorships for high-performing employees who wish to pursue academic programmes including diploma, tertiary, professional and postgraduate qualification.

Our training and development include, but are not limited to, the following:

Training programme	Training frequency	Training provider	Location
Project Management			
Project Management Simulation Workshop	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Project Management Professional Fast Track Workshop	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Project Management Fundamentals	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Project Management in Construction	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Procurement and Contract Management	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Project Risk Management	Multiple sessions annually	Bridgit Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Training programme	Training frequency	Training provider	Location
VDC Training for Project Managers	Multiple sessions annually	Internal trainer(s)	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Technical Training – Construction Management			
Construction Occupational Competency Development for Construction Trade Supervisor / Foreman	Multiple sessions annually	CIDB Malaysia and Master Builders Association Malaysia (" MBAM ")	MBAM training centre, Taman Desa, Kuala Lumpur, Malaysia
Good Industry Practices	Multiple sessions annually	BCA Singapore	Braddel Road, Singapore
Construction Continuing Professional Development Programme	Monthly	Akademi CPD Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
SunCon Academy Evening Talk Series	Monthly	Appointed external trade specialist/vendor or internal speakers (subject matter specialist)	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Technical Training – Total Quality Management			
Quality Management System Awareness Training	Multiple sessions annually	Ascenda Consulting Sdn Bhd / IMD Management Consulting Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Quality Management System - Internal Auditors Training	Multiple sessions annually	Ascenda Consulting Sdn Bhd / IMD Management Consulting Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
CONQUAS and QLASSIC Training	Multiple sessions annually	Official Resources	Multiple project sites in Malaysia
Top Management Total Quality Management Workshop - Policy Management	Multiple sessions annually	QPIC Consultants Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Kaizen Training	Multiple sessions annually	QPIC Consultants Sdn Bhd / SGS Malaysia	Bandar Sunway, Subang Jaya, Selangor, Malaysia

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Training programme	Training frequency	Training provider	Location
<i>Technical training – Safety, Health and Environmental</i>			
Environmental, Safety Health Management System Awareness Training	Multiple sessions annually	Ascenda Consulting Sdn Bhd / IMD Management Consulting Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Environmental, Safety Health Management System - Internal Auditors Training	Multiple sessions annually	Ascenda Consulting Sdn Bhd / IMD Management Consulting Sdn Bhd	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Safety and Health Officer Certification Training	Multiple sessions annually	National Institute of Occupational Safety and Health (“NIOSH”)	Bandar Baru Bangi, Selangor, Malaysia
Occupational First Aid and Cardiopulmonary Resuscitation/ Training	Multiple sessions annually	Academy of Safety and Emergency Care Alpha Training & Consultancy Sdn Bhd	Multiple project sites in Malaysia
Accident Investigation and Report Writing Workshop	Multiple sessions annually	Internal trainer(s)	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Scaffolding Training	Multiple sessions annually	HSE Resources Sdn Bhd / Akademi Binaan Malaysia	NIOSH, Bandar Baru Bangi, Selangor, Malaysia / Akademi Binaan Malaysia, Jalan Chan Sow Lin, Kuala Lumpur, Malaysia
Crane Safety Inspection Training	Multiple sessions annually	Sunway Machinery Training Academy / GPOS	Multiple project sites in Malaysia
Rigging and Slings Competency Training	Multiple sessions annually	EMREST Training and Consultancy	Multiple project sites in Malaysia

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Training programme	Training frequency	Training provider	Location
CIDB Green Card Induction	As required	Sunway Machinery Training Academy / SHE Safety and Health Services / CIDB	Sunway Machinery Training Academy, Bandar Sunway, Selangor, Malaysia
Soft skills			
7 Habits of Highly Effective People	Multiple sessions annually	Internal trainer(s)	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Coaching for Excellence	Multiple sessions annually	Internal trainer(s)	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Managing Poor Performance	Multiple sessions annually	Vilasini Menon	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Managing Misconduct and Conducting Domestic Enquiry	Multiple sessions annually	Vilasini Menon	Bandar Sunway, Subang Jaya, Selangor, Malaysia

We are strongly committed to improving our productivity through employee training and development programmes. We have implemented several functional and technical training programmes to enhance the skills of our technical and construction teams. As a result of our efforts in this area, the skills and competency of several of our machine operators have achieved industry-level recognition, such as winning the Plant Operators Skills Competition organised by the CIDB in 2009. We have also established the Sunway Machinery Training Academy in October 2010, which is accredited by the Department of Skills Development or Jabatan Pembangunan Kemahiran in Malaysia's Ministry of Human Resources, thereby allowing us to provide Malaysia Skills Certificate or Malaysia Skills Certificate or Sijil Kemahiran Malaysia technical training to heavy construction machinery mechanics. This training serves to equip our employees with the skills, knowledge and expertise required to repair heavy construction machinery.

By leveraging on the Sunway Machinery Training Academy's training facilities and expertise, we have been in January 2014, authorised and accredited by the CIDB to commence and conduct our first operator competency training programme for hydraulic bored piling machine.

Training course	Training provider	Location
NDTS Training Programme	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Certification System of Skill Training Programme	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Hydraulic Bored Pile Operator Competency Training Programme	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia

8. INFORMATION ON THE PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT (CONT'D)

Training course	Training provider	Location
Backhoe Loader Operator Competency Training Programme	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Hydraulic Excavator Operator Competency Training Programme	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Apprenticeship Programme - Mechanical of Earth Moving Machine	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia
Apprenticeship Programme - Mechanical of Earth Moving Machine	Sunway Machinery Training Academy	Bandar Sunway, Subang Jaya, Selangor, Malaysia

Our management enjoys good working relationships with our employees and none of our employees belong to any unions. As at the LPD, we have not been involved in any material industrial disputes which have materially or adversely affected our operations.

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9. APPROVALS AND CONDITIONS

9.1 APPROVALS AND CONDITIONS

The listing of our Company on the Main Market of Bursa Securities was approved by the relevant authorities as follows:

Authority	Date
MITI	23 January 2015
SC	5 February 2015
Bursa Securities	6 April 2015

9.1.1 SC's Approval for Reliefs Sought

The SC has, via its letter dated 10 November 2014, approved the reliefs sought in relation to compliance with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought and accompanying conditions imposed by the SC are as follows:

Reference	Relief sought	SC's decision
Equity Guidelines		
Paragraph 5.21 (c)	Relief sought to deem the proposed restricted offer for sale and allocation of shares to the directors and employees of Sunway, the ultimate holding company of SunCon as falling under paragraph 5.21(c) of the Equity Guidelines.	Approved, as proposed
Prospectus Guidelines		
Paragraphs 12.16(a) and (c), Division 1, Part I	Relief sought to substitute the pro forma consolidated statement of comprehensive income and the pro forma consolidated statement of cash flow with the combined statement of comprehensive income and the combined statement of cash flow.	Approved, as proposed
Paragraph 13.10, Division 1, Part I	Relief from including the audit report of the audited financial statements for the past 3 FYEs 31 December 2011, 2012 and 2013 in the accountants' report.	Approved, subject to inclusion/ disclosure of auditors' opinion on the audited financial statements for the financial years under review, within the accountants' report
Paragraph 1.09 (i), Part II	Relief from submitting the standalone audited financial statements for the last 3 to 5 financial years	Approved, as proposed

9. APPROVALS AND CONDITIONS (CONT'D)

Reference	Relief sought	SC's decision
Paragraphs 11.03 (a), (b) and (c)	Relief disclosing details of the interest of GIC Private Limited, wholly owned by the Government of Singapore ("GIC"), a substantial shareholder of SCG*, in other businesses and corporations carrying on a similar trade with the company/group or which are the customers and suppliers of the company/group or that would give rise to a situation of conflict of interest with the company/group's business.	Approved, as proposed
Paragraph 9.01	Relief from providing information relating to the ultimate beneficial owner of GIC.	Approved, as proposed
Paragraphs 18.01(h) and 1.09 (j), Part II	Relief from making available the audited financial statements of each individual company within the SunCon Group for the 8-month financial period ended 31 August 2014 and any interim financial period thereafter	Approved, subject to the condition that the consolidated audited financial statements of the SunCon Group for the 8-month FPE 31 August 2014 and any interim financial period thereafter being submitted to the SC

Note:

* Ceased to be the substantial shareholder of SCG.

The SC has, via its letter dated 18 June 2015, approved a relief from complying with Paragraph 4 of Practice Note 4 of the Equity Guidelines, in respect of placement of securities to the shareholders of SCG and persons connected to them, and nominee corporations, save for the following:

- (i) Directors of SCG;
- (ii) Promoters of SCG, namely Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation, Active Equity, Jef-San and Tan Yit Chong, and persons connected to them; and
- (iii) Substantial shareholders of Sunway (save for Skim Amanah Saham Bumiputera ("ASB") and/or other funds managed by Permodalan Nasional Berhad ("PNB") if ASB and/or other funds managed by PNB collectively hold less than 15% shareholding interest in Sunway).

9.1.2 MITI's Approval

MITI has, vide its letter dated 23 January 2015, granted its approval for our Company to implement the Offer for Sale and the Listing.

9. APPROVALS AND CONDITIONS (CONT'D)

9.1.3 SC's Approval

The SC has vide its letter dated 5 February 2015 approved the Listing pursuant to subsection 214(1) of the CMSA and the equity requirement for public companies, subject to the following conditions:

Details of conditions imposed	Status of compliance
1. RHB Investment Bank / SCG to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing;	Noted.
2. Prior to the registration of the prospectus, SCG to –	
(a) confirm and demonstrate that it has positive net cash flow from operating activities for the financial year ended 31 December 2014;	Complied.
(b) appoint additional independent director(s) so that the board composition comprises majority of independent directors;	*
(c) ensure that all trade debts exceeding normal credit period and all non-trade debts owing by the interested persons (except for amount owing by Sunway Treasury Sdn Bhd) are settled; and	Complied.
(d) confirm and demonstrate that it is independent from Sunway and other corporations within the Sunway group in terms of its operations (including purchases and sales of goods, management, management policies and finance); and	Complied.
3. SCG to allocate shares equivalent to at least 12.5% of the SCG Share Capital at the point of Listing to Bumiputera investors. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputera investors.	To be complied.

Note:

* Our Board, on 26 February 2015, had appointed Dato' Ir Goh Chye Koon, who is a Senior Independent Non-Executive Director of our Company as the new Chairman of our Company in place of Dato' Chew Chee Kin. Dato' Chew Chee Kin had informed our Board that it would be in the best interests of our Company to have another chairman who will be able to devote more time and attention to the role of leading our Board given his existing responsibilities and duties as the President of Sunway. Dato' Chew Chee Kin will remain as a Non-Independent Non-Executive Director of our Company.

Following the change of our Chairman from a non-independent director to an independent director, RHB Investment Bank had, on behalf of our Company, sought approval from the SC on 20 March 2015 for the revision to the condition of approval for the Listing ("**Revision**") where, in lieu of the appointment of additional independent director(s) as imposed by the SC, we would instead appoint Dato' Ir Goh Chye Koon, our Senior Independent Non-Executive Director as the new Chairman of our Company. The approval for the Revision was obtained from the SC on 6 April 2015.

9. APPROVALS AND CONDITIONS (CONT'D)

The equity structure of our Company would change arising from the Listing, as follows:

	Before Listing (%)	After Listing (%)
Bumiputera		
MITI approved investors	-	10.5
Public investors	-	2.0
	-	12.5
Non-Bumiputera / Foreigners	100.0	87.5
Total	100.0	100.0

9.1.4 Bursa Securities' Approval

Bursa Securities had via its letter dated 6 April 2015, approved the admission to the Official List and the listing of and quotation for the entire issued and paid-up share capital of SCG on the Main Market of Bursa Securities.

9.1.5 SAC of the SC's Approval

SAC of the SC has via its letter dated 5 May 2015, classified our Shares as Shariah-compliant securities based on our latest audited combined financial statements for the FYE 31 December 2014.

9.2 MORATORIUM ON SHARES

In accordance with Paragraph 5.29 of the Equity Guidelines, a moratorium shall be imposed on the sale of the entire SCG Shares held by the Promoters and Tan Yit Chong, for a period of six months from the date of Listing. Accordingly, the Promoters and Tan Yit Chong will not be allowed and have undertaken not to sell, transfer or assign any part of their shareholdings held directly or indirectly in the share capital of SCG for a period of six months from the date of Listing.

Pursuant to Paragraph 5.30 of the Equity Guidelines, the ultimate shareholders of SunHoldings, Sungei Way Corporation, Active Equity and Jef-San will not be allowed and have undertaken not to sell, transfer or assign any part of their shareholdings held directly or indirectly in the share capital of SunHoldings, Sungei Way Corporation, Active Equity and Jef-San respectively for a period of six months from the date of Listing.

9. APPROVALS AND CONDITIONS (CONT'D)

The final shareholding levels of the Promoters and Tan Yit Chong shall only be determined following the completion of the Offer for Sale. Hence, in the event the Promoters and Tan Yit Chong apply for and are allotted with the OFS Shares, their undertakings for moratorium on sale of the SCG Shares shall apply to their entire shareholdings held directly or indirectly in the share capital of our Company as at the date of listing, including the OFS Shares allotted/transferred to them. Nonetheless, for information purposes, the proforma shareholdings of the Promoters and Tan Yit Chong are as follows:

Name	After Listing – Assuming the Over-allotment Option is not exercised				After Listing – Assuming the Over-allotment Option is fully exercised			
	Direct	*(%)	Indirect	*(%)	Direct	*(%)	Indirect	*(%)
Sunway	-	-	719,184,709 ⁽¹⁾	55.6	-	-	659,379,009 ⁽¹⁾	51.0
SunHoldings	719,184,709	55.6	-	-	659,379,009	51.0	-	-
Tan Sri Jeffrey Cheah	7,723,892	0.6	810,018,688 ⁽²⁾	62.7	7,723,892	0.6	750,212,988 ⁽²⁾	58.0
Puan Sri Susan Cheah	-	-	817,742,580 ⁽³⁾	63.2	-	-	757,936,880 ⁽³⁾	58.6
Sarena Cheah	57,727	#	817,671,516 ⁽⁴⁾	63.2	57,727	#	757,865,816 ⁽⁴⁾	58.6
Evan Cheah	13,435	#	817,671,418 ⁽⁵⁾	63.2	13,435	#	757,865,718 ⁽⁵⁾	58.6
Sungei Way Corporation	87,692,900	6.8	719,184,709 ⁽⁶⁾	55.6	87,692,900	6.8	659,379,009 ⁽⁶⁾	51.0
Active Equity	-	-	806,877,609 ⁽⁷⁾	62.4	-	-	747,071,909 ⁽⁷⁾	57.8
Jef-San	3,069,917	0.2	-	-	3,069,917	0.2	-	-
Tan Yit Chong ⁽⁹⁾	98	#	57,727 ⁽⁸⁾	#	98	#	57,727 ⁽⁸⁾	#
Total	817,742,678	63.2			757,936,978	58.6		

Notes:

Negligible.

* Based on the SCG Share Capital.

(1) Deemed interest by virtue of Section 6A of the Act held through SunHoldings.

(2) Deemed interest by virtue of Section 6A of the Act held through Jef-San, Active Equity, Sungei Way Corporation, Sunway, SunHoldings and children.

(3) Deemed interest by virtue of Section 6A of the Act held through Jef-San, spouse and children.

(4) Deemed interest by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings, spouse and parents.

(5) Deemed interest by virtue of Section 6A of the Act held through Active Equity, Sungei Way Corporation, Sunway, SunHoldings and parents.

(6) Deemed interest by virtue of Section 6A of the Act held through Sunway and SunHoldings.

(7) Deemed interest by virtue of Section 6A of the Act held through Sungei Way Corporation, Sunway and SunHoldings.

(8) Deemed interest by virtue of Section 6A of the Act held through spouse.

(9) Deemed promoter pursuant to the Equity Guidelines.

The moratorium is specifically endorsed on the share certificates representing the shareholdings of the Promoters and Tan Yit Chong to ensure that our registrars do not register any transfer not in compliance with the moratorium restrictions. In compliance with the restrictions, Bursa Depository will, on our registrars' instructions in the prescribed forms, ensure that trading of these shares is not permitted in the moratorium period.

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

10.1 RELATED PARTY TRANSACTIONS

Our Group has entered into transactions that are of a revenue or trading nature with related parties which are necessary for our day-to-day operations ("**Recurrent Transactions**").

The past Recurrent Transactions were carried out on an arm's length basis and on commercial terms which were not more favourable to the related parties than those generally available to third parties and which were also not detrimental to our minority shareholders.

We will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of the Recurrent Transactions made, the names of the related parties involved and their relationship with our Company during the financial year and in the annual reports for subsequent financial years.

Save as disclosed below, there are no other Recurrent Transactions, existing or proposed, entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors and major shareholders, and/ or persons connected with them for the past three financial years up to the FYE 31 December 2014 and the 18 months ending 30 June 2016:

10.1.1 Recurrent Related Party Transactions

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016
				FYE 31 December	2013	2014	
				2012	2013	2014	RM'000
				RM'000	RM'000	RM'000	RM'000
Sunway Geotechnics (M) and Sunway MUSC Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway MUSC Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway MUSC Sdn Bhd via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to Sunway MUSC Sdn Bhd	2,607	979	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Transaction value				18 months ending 30 June 2016
			FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014	FYE 31 December 2015	
			RM'000	RM'000	RM'000	RM'000	#
SunCon and Sunway Velocity Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Velocity Mall Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Velocity Mall Sdn Bhd via Sunway.	-	7,100	59,289		
Sunway Geotechnics (M) and Sunway Velocity Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Velocity Mall Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Velocity Mall Sdn Bhd via Sunway.	75,646	53,078	39,082		
Sunway Geotechnics (M) and Sunway Pyramid Development Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Pyramid Development Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pyramid Development Sdn Bhd via Sunway.	25	30	36		55

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value		
				FYE 31 December	2013	2014
				RM'000	RM'000	RM'000
Sunway Engineering and Sunway Pyramid Development Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Pyramid Development Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pyramid Development Sdn Bhd via Sunway.	Rental of staff accommodation by Sunway Engineering from Sunway Pyramid Development Sdn Bhd	-	3	-
SunCon and Sunway	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCon via Sunway.	Management service charged to SunCon by Sunway	14,404	16,693	16,649
SunCon and Sunway Digital Wave Sdn Bhd	Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Evan Cheah is a director of Sunway Digital Wave Sdn Bhd. Tan Sri Jeffrey Cheah is a major shareholder of Sunway Technology Sdn Bhd, the ultimate holding company of Sunway Digital Wave Sdn Bhd. Puan Sri Susan Cheah has deemed interest in Sunway Technology Sdn Bhd via a corporation where she has more than 15% shareholding and by virtue of her spouse's interest in Sunway Technology Sdn Bhd. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah and Evan Cheah, being major shareholders of Sunway, also have deemed interests in SunCon via Sunway.	Purchase of maintenance and repair of office equipment by SunCon to Sunway Digital Wave Sdn Bhd	6	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
SunCon and Sunway FSSC Bhd Sdn ("Sunway FSSC")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to SunCon by Sunway FSSC for provision of financial shared services	-	1,217	1,476	3,000
Sunway Geotechnics (M) and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to Sunway Geotechnics (M) by Sunway FSSC for provision of financial shared services	-	210	200	400
Sunway Engineering and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of our Company via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to Sunway Engineering by Sunway FSSC for provision of financial shared services	-	190	211	400

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
SunCon and Sunway Computer Services Sdn Bhd	Tan Sri Jeffrey Cheah and Puan Sri Susan Cheah	Tan Sri Jeffrey Cheah is a major shareholder of Sunway Technology Sdn Bhd, the ultimate holding company of Sunway Computer Services Sdn Bhd. Puan Sri Susan Cheah has deemed interest in Sunway Technology Sdn Bhd via a corporation where she has more than 15% shareholding and by virtue of her spouse's interest in Sunway Technology Sdn Bhd. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary.	IT maintenance fees charged to SunCon by Sunway Computer Services Sdn Bhd	-	17	-	-
Sunway Innopave and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Tan Sri Jeffrey Cheah and Puan Sri Susan Cheah, being major shareholders of Sunway, also have deemed interests in SunCon via Sunway.	Service fees charged to Sunway Innopave by Sunway FSSC for provision of financial shared services	-	5	7	15
Sunway Machinery and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Innopave is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to Sunway Machinery by Sunway FSSC for provision of financial shared services	-	-	2	5

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Precast Industries and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Precast Industries is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to Sunway Precast Industries by Sunway FSSC for provision of financial shared services	-	5	5	10
Sunway Builders and Sunway FSSC	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway FSSC is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Builders is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway FSSC via Sunway.	Service fees charged to Sunway Builders by Sunway FSSC for provision of financial shared services	-	5	-	15
SunCon and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	*Provision of construction work by SunCon to Sunway REIT	-	41,494	137,242	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Rental of an office unit at Menara Sunway by SunCon from Sunway REIT	1,007	1,002	1,069	3,000
SunCon and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Purchase of diesel on behalf of Sunway REIT	-	6	7	#
SunCon and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Utilities expense charged to SunCon by Sunway REIT	-	-	74	120

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				FYE 31 December	2012	2013	2014
				RM'000	RM'000	RM'000	RM'000
Sunway Engineering and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Utilities expense charged to Sunway Engineering by Sunway REIT	-	-	14	21
Sunway Engineering and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	Rental of an office unit at Menara Sunway by Sunway Engineering from Sunway REIT	90	95	96	130
Sunway Engineering and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	*Provision of construction work by Sunway Engineering to Sunway REIT	6,983	1,873	147	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Shared Services Sdn Bhd ("Sunway Shared Services")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to SunCon by Sunway Shared Services for provision of shared services	3,654	3,339	4,605	7,000
Sunway Geotechnics (M) and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Geotechnics (M) by Sunway Shared Services for provision of shared services	206	215	84	150
Sunway GD Piling and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway GD Piling is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway GD Piling by Sunway Shared Services for provision of shared services	3	-	2	5

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Builders and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Builders is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Builders by Sunway Shared Services for provision of shared services	5	5	-	8
Sunway Innopave and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Innopave is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Innopave by Sunway Shared Services for provision of shared services	5	5	-	8
Sunway Precast Industries and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Precast Industries is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Precast Industries by Sunway Shared Services for provision of shared services	5	5	-	8

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Creative Stones and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Creative Stones is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Creatives by Stones by Sunway Shared Services for provision of shared services	96	1	1	5
Sunway Engineering and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Engineering by Sunway Shared Services for provision of shared services	213	208	255	400
Sunspan and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunspan is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunspan by Sunway Shared Services for provision of shared services	5	-	2	5

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Machinery and Sunway Shared Services	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Shared Services is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Machinery is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Shared Services via Sunway.	Service fees charged to Sunway Machinery by Sunway Shared Services for provision of shared services	21	-	-	-
SunCon and Sunway Risk Management Sdn Bhd ("Sunway Risk Management")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by SunCon	3,495	5,419	5,118	8,000
Sunway SK and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway SK is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway SK	-	4	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Geotechnics (M) and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's an indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway Geotechnics (M)	1,422	1,464	1,752	3,000
Sunway Engineering and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway Engineering	361	432	88	140
Sunway Builders and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Builders is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway Builders	4	-	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value				18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	
Sunway Creative Stones and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Creative Stones is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway Creative Stones	61	-	2014 RM'000	9	14
Sunway Precast Industries and Sunway Risk Management	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Risk Management is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Precast Industries is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Risk Management via Sunway.	Insurance provided by Sunway Risk Management for contract work taken up by Sunway Precast Industries	1	-	-	-	-
SunCon and Sunway Forum Hotel Sdn Bhd (formerly known as Sunway Pyramid Hotel Sdn Bhd ("Sunway Forum Hotel"))	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Forum Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Forum Hotel via Sunway.	*Provision of construction work by SunCon to Sunway Forum Hotel	-	13,566	53,003	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016
				FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014	
				RM'000	RM'000	RM'000	RM'000
SunCon and Sunway Credit Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Credit Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Credit Sdn Bhd via Sunway.	Hire purchase facility expense charged to SunCon by Sunway Credit Sdn Bhd	174	77	3	-
Sunway Geotechnics (M) and Sunway Credit Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Credit Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Credit Sdn Bhd via Sunway.	Hire purchase facility expense charged to Sunway Geotechnics (M) by Sunway Credit Sdn Bhd	37	16	140	-
Suncon and Sunway Enterprise (1988) Sdn Bhd ("Sunway Enterprise (1988)")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Enterprise (1988) is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Enterprise (1988) via Sunway.	Machinery rental income earned by Suncon from Sunway Enterprise (1988)	70	65	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Enterprise (1988)	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Enterprise (1988) is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Enterprise (1988) via Sunway.	Machinery rental expense charged to SunCon by Sunway Enterprise (1988)	69	-	1,873	#
SunCon and Sunway Enterprise (1988)	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Enterprise (1988) is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Enterprise (1988) via Sunway.	Purchase of diesel on behalf of Sunway Enterprise (1988)	-	-	134	#
Sunway Geotechnics (M) and Sunway Enterprise (1988)	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Enterprise (1988) is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Enterprise (1988) via Sunway.	Machinery rental expense charged to Sunway Geotechnics (M) by Sunway Enterprise (1988)	101	826	1,227	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Hose Centre Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Hose Centre Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Hose Centre Sdn Bhd via Sunway.	*Purchase of construction materials from SunCon Hose Centre Sdn Bhd	2	-	-	-
Sunway Geotechnics (M) and Sunway Hose Centre Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Hose Centre Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Hose Centre Sdn Bhd via Sunway.	*Purchase of construction materials from SunCon Hose Centre Sdn Bhd	-	110	148	#
Sunway Geotechnics (M) and Sunway Leasing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Leasing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Leasing Sdn Bhd via Sunway.	Lease expense charged to Sunway Geotechnics (M) by Sunway Leasing Sdn Bhd	4,655	4,633	2,141	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchase of construction materials from SunCon Sunway Marketing Sdn Bhd	32,700	69,312	83,443	#
Sunway Geotechnics (M) and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchase of construction materials by Sunway Geotechnics (M) from Sunway Marketing Sdn Bhd	36,894	53,415	24,170	#
Sunway Engineering and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchase of construction materials by Sunway Engineering from Sunway Marketing Sdn Bhd	-	-	23	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value				18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	FYE 31 December	
Sunway Precast Industries and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Precast Industries is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchase of construction materials by Sunway Precast Industries from Sunway Marketing Sdn Bhd	-	8,192	5,842	-	#
Sunway Creative Stone and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Creative Stone is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchase of construction material by Sunway Creative Stone from Sunway Marketing Sdn Bhd	5	-	-	-	#
Sunway Machinery and Sunway Marketing Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Machinery is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing Sdn Bhd via Sunway.	*Purchasing of construction materials by Sunway Machinery from Sunway Marketing Sdn Bhd	53	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Marketing (S) Pte Ltd ("Sunway Marketing (S)")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Marketing (S) is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Marketing (S) via Sunway.	Rental of an apartment by SunCon from Sunway Marketing (S)	48	48	27	50
SunCon and Sunway Paving Solutions Sdn Bhd ("Sunway Paving Solutions")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Paving Solutions is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Paving Solutions via Sunway.	*Purchase of construction materials by SunCon from Sunway Paving Solutions	1,105	238	855	#
SunCon and Sunway Paving Solutions	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Paving Solutions is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Paving Solutions via Sunway.	Rental of the Batang Kali industrial land by SunCon from Sunway Paving Solutions	-	563	675	1,300

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Paving Solutions	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Paving Solutions is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Paving Solutions via Sunway.	Rental income earned by Suncon from Sunway Paving Solutions	5	-	-	-
Sunway Geotechnics (M) and Sunway Paving Solutions	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Paving Solutions is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Paving Solutions via Sunway.	Rental of the Batang Kali industrial land by Sunway Geotechnics (M) from Sunway Paving Solutions	407	359	493	800
Sunway Geotechnics (M) and Sunway Paving Solutions	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Sungei Way Corporation and Active Equity	Sunway Paving Solutions is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Paving Solutions via Sunway.	*Purchase of construction materials by Sunway Geotechnics (M) from Sunway Paving Solutions	-	-	58	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			#
				FYE 31 December	2014	2015	
				RM'000	RM'000	RM'000	months ending 30 June
SunCon and Sunway Quarry Industries Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Quarry Industries Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Quarry Industries Sdn Bhd via Sunway.	*Purchase of construction materials by SunCon from Sunway Quarry Industries Sdn Bhd	3,337	2,268	3,950	
Sunway Geotechnics (M) and Sunway Quarry Industries Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Quarry Industries Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Quarry Industries Sdn Bhd via Sunway.	*Purchase of construction materials by Sunway Geotechnics (M) from Sunway Quarry Industries Sdn Bhd	14	15	29	
SunCon and Sunway Destiny Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Destiny Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Destiny Sdn Bhd via Sunway.	*Provision of construction works by SunCon to Sunway Destiny Sdn Bhd	-	47,505	108,332	

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			#
				FYE 31 December	2013	2014	
				RM'000	RM'000	RM'000	months ending 30 June 2016
Sunway Geotechnics (M) and Sunway Destiny Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Destiny Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Destiny Sdn Bhd via Sunway.	*Provision of construction works by Sunway Geotechnics (M) to Sunway Destiny Sdn Bhd	18,363	2,698	7,624	#
Sunway Geotechnics (M) and Sunway Forum Hotel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Forum Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Forum Hotel via Sunway.	*Provision of construction works by Sunway Geotechnics (M) to Sunway Forum Hotel	12,255	25,853	6,899	#
SunCon and Sunway Integrated Properties Sdn Bhd ("Sunway Integrated Properties")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Integrated Properties is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Integrated Properties via Sunway.	*Provision of construction works by SunCon to Sunway Integrated Properties	56,306	66,128	55,414	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Integrated Properties	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Integrated Properties is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Integrated Properties via Sunway.	Rental of Subang Jaya Industrial land by SunCon from Sunway Integrated Properties	227	248	429	500
Sunway Geotechnics (M) and Sunway Integrated Properties	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Integrated Properties is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Integrated Properties via Sunway.	*Provision of construction works by Sunway Geotechnics (M) to Sunway Integrated Properties	71,379	101,450	59,146	#
SunCon and Sunway Treasury Sdn Bhd ("Sunway Treasury")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Interest income earned by SunCon for funds deposited with Sunway Treasury	512	388	641	1,000

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Foreign exchange hedging services charged to Sunway Treasury	-	-	22	40
SunCon and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Interest expense charged to Sunway Treasury for borrowings	180	-	-	90
Sunway Geotechnics (M) and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Interest income earned by Sunway Geotechnics (M) for funds deposited with Sunway Treasury	71	-	115	180

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Engineering and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Interest income earned by Sunway Engineering for funds deposited with Sunway Treasury	1,199	680	368	560
Sunway Creative Stones and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Creative Stones is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Interest income earned by Sunway Creative Stones for funds deposited with Sunway Treasury	-	-	7	11
SunCon and Sunway Lagoon Club Berhad ("Sunway Lagoon Club")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon Club is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon Club via Sunway.	Subscription fees charged to SunCon by Sunway Lagoon Club	26	23	82	130

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Geotechnics (M) and Sunway Lagoon Club	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon Club is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon Club via Sunway.	Subscription fee charged to Sunway Geotechnics (M) by Sunway Lagoon Club	9	10	13	20
Sunway Engineering and Sunway Lagoon Club	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon Club is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon Club via Sunway.	Subscription fees charged to Sunway Engineering by Sunway Lagoon Club	3	3	3	5
SunCon and Sunway Lagoon Sdn Bhd ("Sunway Lagoon")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon via Sunway.	Staff welfare expense charged to SunCon by Sunway Lagoon	42	13	18	30

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2015 RM'000
SunCon and Sunway Lagoon	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon via Sunway.	Rental of Subang Jaya industrial land by SunCon from Sunway Lagoon	135	174	156	300
SunCon and Sunway Lagoon	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of via SunHoldings. SunCon is our Company's wholly-owned subsidiary.	Rental income earned by SunCon from Sunway Lagoon	105	-	-	-
Sunway Geotechnics (M) and Sunway Lagoon	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon via Sunway.	Staff welfare expense charged to Sunway Geotechnics (M) by Sunway Lagoon	3	-	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Engineering and Sunway Lagoon	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon via Sunway.	Staff welfare expense charged to Sunway Engineering by Sunway Lagoon	5	-	-	5
Sunway Machinery and Sunway Lagoon	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Lagoon is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Machinery is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Lagoon via Sunway.	Rental of Subang Jaya industrial land by Sunway Machinery from Sunway Lagoon	14	-	-	-
Sunway Geotechnics (M) and Sunway Melawati Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Melawati Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Melawati Sdn Bhd via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to Sunway Melawati Sdn Bhd	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
SunCon and Sunway Pyramid Sdn Bhd ("Sunway Pyramid")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Pyramid is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pyramid via Sunway.	*Provision of construction work by SunCon to Sunway Pyramid	372	-	-	#
Sunway Engineering and Sunway Pyramid	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Pyramid is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pyramid via Sunway.	*Provision of construction work by Sunway Engineering to Sunway Pyramid	-	-	-	#
SunCon and Sunway Resort Hotel Sdn Bhd ("Sunway Resort Hotel")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Resort Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Resort Hotel via Sunway.	Hotel expenses charged to SunCon by Sunway Resort Hotel	45	78	217	330

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value				18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	FYE 31 December	
Sunway Innopave and Sunway Resort Hotel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Resort Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Innopave is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Resort Hotel via Sunway.	Hotel expenses charged to Sunway Innopave by Sunway Resort Hotel	-	-	2	-	10
Sunway Geotechnics (M) and Sunway Resort Hotel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Resort Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Resort Hotel via Sunway.	Hotel expenses charged to Sunway Geotechnics (M) by Sunway Resort Hotel	1	-	-	-	5
Sunway Engineering and Sunway Resort Hotel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Resort Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Resort Hotel via Sunway.	*Provision of construction work by Sunway Engineering to Sunway Resort Hotel	8	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Travel Bhd Sdn ("Sunway Travel")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Travel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Travel via Sunway.	Air tickets expense charged to SunCon by Sunway Travel	323	327	262	400
Sunway Geotechnics (M) and Sunway Travel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Travel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Travel via Sunway.	Staff welfare expense charged to Sunway Geotechnics (M) by Sunway Travel	-	-	-	50
Sunway Engineering and Sunway Travel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Travel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Travel via Sunway.	Air tickets expense charged to Sunway Engineering by Sunway Travel	-	9	4	50

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Innopave and Sunway Travel	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Travel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Innopave is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Travel via Sunway.	Air tickets expense charged to Sunway Innopave by Sunway Travel	-	-	4	20
Sunway Engineering and Sunway REIT	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway is a major unitholder of Sunway REIT. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation, and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway REIT via Sunway.	*Provision of construction work by Sunway Engineering to Sunway REIT	-	-	-	#
SunCon and Sunway D'Mont Kiara Sdn Bhd ("Sunway D'Mont Kiara")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway D'Mont Kiara is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway D'Mont Kiara via Sunway.	*Provision of construction works by Suncon to Sunway D'Mont Kiara	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			#
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Geotechnics (M) and Sunway D'Mont Kiara	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway D'Mont Kiara is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway D'Mont Kiara via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to Sunway D'Mont Kiara	5	-	-	18 months ending 30 June 2016 RM'000
SunCon and Sunway Leisure Sdn Bhd ("Sunway Leisure")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Leisure is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Leisure via Sunway.	Carpark expense charged to SunCon by Sunway Leisure	54	55	64	100
Sunway Geotechnics (M) and Sunway Leisure	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Leisure is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Leisure via Sunway.	Carpark expense charged to Sunway Geotechnics (M) by Sunway Leisure	7	7	2	5

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Engineering and Sunway Leisure	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Leisure is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Leisure via Sunway.	Carpark fee charged to Sunway Engineering by Sunway Leisure	7	4	4	10
SunCon and Sunway Medical Centre Sdn Bhd ("Sunway Medical Centre")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	Medical expenses charged to SunCon by Sunway Medical Centre	-	20	117	200
SunCon and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	*Provision of construction works by SunCon to Sunway Medical Centre	1,488	-	3,709	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value				18 months ending 30 June 2016
				2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	
Sunway Geotechnics (M) and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	Medical expenses charged to Sunway Geotechnics (M) by Sunway Medical Centre	15	14	17	25	
Sunway Geotechnics (M) and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	*Provision of construction works by Sunway Geotechnics (M) to Sunway Medical Centre	-	-	7,558	#	
Sunway Engineering and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	Medical expenses charged to Sunway Engineering by Sunway Medical Centre	11	16	11	16	

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Innopave and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Innopave is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	Medical expenses charged to Sunway Innopave by Sunway Medical Centre	-	-	2	3
Sunway Machinery and Sunway Medical Centre	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Medical Centre is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Machinery is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Medical Centre via Sunway.	Medical expenses charged to Sunway Machinery by Sunway Medical Centre	-	-	-	1
SunCon and Sunway PFM Bhd Sdn ("Sunway PFM")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway PFM is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway PFM via Sunway.	Service charges by SunCon to Sunway PFM for Menara Sunway office	83	-	50	100

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016
				FYE 31 December 2012	FYE 31 December 2013	FYE 31 December 2014	
				RM'000	RM'000	RM'000	RM'000
Sunway Geotechnics (M) and Sunway PFM	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway PFM is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway PFM via Sunway.	Service charges by SunCon to Sunway PFM for Menara Sunway office	22	19	8	20
Sunway Engineering and Sunway PFM	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway PFM is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway PFM via Sunway.	Service charges by SunCon to Sunway PFM for Menara Sunway office	14	15	12	17
SunCon and Sunway South Quay Sdn Bhd ("Sunway South Quay")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway South Quay is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway South Quay via Sunway.	*Provision of construction work by SunCon to Sunway South Quay	-	-	9,477	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Transaction value			
			2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Sunway Geotechnics (M) and Sunway South Quay	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway South Quay is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway South Quay via Sunway.	11,540	34,662	38,087	#
Sunway Geotechnics (M) and Sunway City (Ipoh) Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway City (Ipoh) Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway City (Ipoh) Sdn Bhd via Sunway.	1,954	163	-	#
SunCon and SunCity	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	2,696	6,965	151	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 Months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and SunCity	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	Staff welfare expense charged to SunCon by SunCity	-	-	22	-
Sunway Geotechnics (M) and SunCity	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	Rental payment by Sunway Geotechnics (M) from SunCity	30	-	-	-
Sunway Machinery and SunCity	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Machinery is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	Rental payment by Sunway Machinery from SunCity for Subang Jaya industrial land	248	-	-	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Geotechnics (M) and SunCity	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to SunCity	367	-	-	#
Suncon and SunCity SunCon Joint Venture	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship SunCity is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in SunCity via Sunway.	*Provision of construction work by SunCon to SunCity Suncon Joint Venture	34,291	33,775	33,844	#
Sunway Geotechnics (M) and Sunway PKNS Sdn Bhd (formerly known as Sunway Damansara Sdn Bhd) ("Sunway PKNS")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway PKNS is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway PKNS via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to Sunway PKNS	2,057	221	2,164	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Iskandar Sdn Bhd ("Sunway Iskandar")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Iskandar is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Iskandar via Sunway.</p>	*Provision of construction work by SunCon to Sunway Iskandar	-	-	53,757	#
SunCon and Sunway Iskandar	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Iskandar is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Iskandar via Sunway.</p>	Rental of precast plant by SunCon from Sunway Iskandar	-	-	-	5,000

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000
Transactions between any companies within our Group and any companies within the Sunway Group (excluding our Group)	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have interests in our Group.	(a) *Provision of construction, foundation and related services, including, <i>inter alia</i> , construction of civil and building works, contracting in mechanical, electrical and engineering works, prefabricated construction of building and civil works, precast concrete building contracts and piling contracts;	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value				#
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	18 months ending 30 June 2016 RM'000	
			(b) *Purchase of construction and building materials, spare parts and other related construction and building materials and services; and	-	-	-	-	#
			(c) Rental and purchase of spare parts and construction machineries.	-	-	-	-	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.</p>	Provision of corporate guarantee by SunCon in favour of HSBC Bank Malaysia Berhad (as security agent) in respect of a syndicated transferable term loan facility granted by HSBC Bank Malaysia Berhad, CIMB Bank Berhad, Affin Bank Berhad and United Overseas Bank (Malaysia) Bhd to Sunway Treasury	-	-	200,000	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Provision of corporate guarantee by SunCon in favour of HSBC Bank Malaysia Berhad in respect of tradeline facilities granted by HSBC Bank Malaysia Berhad to Sunway Treasury	-	-	50,000	-
SunCon and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.	Provision of corporate guarantee by SunCon in favour of HSBC Bank Malaysia Berhad in respect of tradeline facilities granted by HSBC Bank Malaysia Berhad to Sunway Treasury	-	-	30,000	-

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Engineering and Sunway Treasury	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Treasury is a wholly-owned subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Engineering is our Company's indirect subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Treasury via Sunway.</p>	Provision of the corporate guarantee by SunCon in favour of HSBC Bank Malaysia Berhad in respect of the banking facilities granted by HSBC Bank Malaysia Berhad to Sunway Treasury	-	-	7,000	-
SunCon and Sunway Hotel Sdn Bhd (formerly known as Sunway Hotel (Penang) Sdn Bhd) ("Sunway Biz Hotel")	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Biz Hotel is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Biz Hotel via Sunway.</p>	Hotel expenses charged to SunCon by Sunway Biz Hotel	-	-	1	5

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000
				FYE 31 December 2012 RM'000	2013 RM'000	2014 RM'000	
SunCon and Sunway Transit System Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Nature of relationship Sunway Transit System Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Transit System Sdn Bhd via Sunway.	*Provision of construction work by SunCon to Sunway Transit System	-	-	17,822	#
Sunway Geotechnics (M) and Prosper Revenue Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Prosper Revenue Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Prosper Revenue Sdn Bhd via Sunway.	*Provision of construction work by Sunway Geotechnics (M) to Prosper Revenue Sdn Bhd	-	6,908	8,630	#
Suncon and Sunway Pinnacle Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	Sunway Pinnacle Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. SunCon is our Company's wholly-owned subsidiary. Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pinnacle Sdn Bhd via Sunway.	*Provision of construction work by SunCon to Sunway Pinnacle Sdn Bhd	34,689	108,700	21,198	#

10. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST (CONT'D)

Transacting Parties	Related party	Nature of relationship	Nature of transaction	Transaction value			18 months ending 30 June 2016 RM'000 #
				2012 RM'000	2013 RM'000	2014 RM'000	
Sunway Geotechnics (M) and Sunway Pinnacle Sdn Bhd	Sunway, Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity	<p>Sunway Pinnacle Sdn Bhd is an indirect subsidiary of Sunway. Sunway holds at least 51% of the SCG Share Capital via SunHoldings. Sunway Geotechnics (M) is our Company's indirect subsidiary.</p> <p>Tan Sri Jeffrey Cheah, Puan Sri Susan Cheah, Sarena Cheah, Evan Cheah, Sungei Way Corporation and Active Equity, being major shareholders of Sunway, also have deemed interests in Sunway Pinnacle Sdn Bhd via Sunway.</p>	*Provision of construction work by Sunway Geotechnics (M) to Sunway Pinnacle Sdn Bhd	28,093	10,831	-	

Notes:

The estimated value of the transactions cannot be determined as the transactions are on project-by-project basis.

* Include inter-alia, construction of civil and building works, contracting in mechanical, electrical and engineering works, prefabricated construction of building and civil works, precast concrete building contracts and piling contracts.

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