

envisioning our future



Chairman's Statement

YB Dr. Tan Kee Kwong officiating the superstructure commencement ceremony of Mont'Kiara Bayu



Choosing your next investment



Dato' Dr Ng Yen Yen officiating the opening of Resort Food Paradise



We have taken great strides towards realising our vision, and created a firm foundation for the future. Our mission of always achieving distinction will be the underlying force for consistent growth and the favourable response we receive is the evidence of our effort. **We are ready for the future.**

Dear Valued Shareholders,

I am pleased to report that, despite the global slowdown and a softening of market conditions, our Group is able to retain the strong interest of the public in our products and services.

Although the Klang Valley office sub-sector remains weak, occupancy of our 561-unit Plaza Mont'Kiara has moved up steadily to touch 80%, providing a widening customer base for the fine selection of food & beverage outlets in the resort office. Occupancy of the 1,700 condominium units in Sunrise Mont'Kiara also remains at a high 90%, reflecting public confidence in the Sunrise-generated family lifestyle activities.

The financial year opened for us on a high note, with the local Member of Parliament who is also the Deputy Minister of Land

and Cooperative Development YB Dr. Tan Kee Kwong officiating the superstructure commencement ceremony of Mont'Kiara Bayu on 8 July 2000. Despite widely-held views of a glut in consumer demand, purchasers saw a gem in this latest Sunrise project, and the 42-storey condominium was almost fully sold just four months after its soft launch in March 2000.

A month later, Deputy Minister of Culture, Arts and Tourism Dato' Dr Ng Yen Yen invited expatriate families in Sunrise Mont'Kiara to savour the many varieties of local delights, when she officiated the opening ceremony of the Resort Food Paradise at Plaza Mont'Kiara. One year into operation, its record of cleanliness has endeared it to our City Hall father who conferred upon Resort Food Paradise the 2nd prize in the 2001 Federal Territory Food Premises and Retail Complex Cleanliness Competition (Food Court Category).





Capping the financial year was the conferment of the prized FIABCI Award of Distinction 2001 for Residential Development on Mont'Kiara Sophia - the second Sunrise condominium to be accorded this honour, after Mont'Kiara Palma in 1997.

On 1 June 2001, a wholly owned subsidiary of the Company, Sunrise Overseas Corporation Sdn Bhd, together with its partners entered into two Conditional Sale Agreements for the sale of their entire interest in Four Ways Crossing Retail Centre (Pty) Ltd in South Africa for a total consideration of Rand 223.9 million (equivalent to RM105.2 million). The sale contributed approximately RM4.9 million to the Group's profits for the year.

Financial Highlights

The Group earned a pre-tax profit of RM29.4 million for the year, on the back of a turnover of RM102.37 million attributable mainly to the stage claims on the 394-unit Mont'Kiara Bayu



Serene fountain landscape in Mont'Kiara Palma

condominium and the sale of Four Ways Crossing Retail Centre (Pty) Ltd in South Africa.



Award-winning design features in Mont'Kiara Sophia

The Group's current year performance is lower than that of the previous year, mainly due to the delayed launches of several of the Group's projects. These delays were caused by the longer than expected time taken to clear and obtain approvals from the various authorities particularly for Mont'Kiara Damai and Laman Suria.

Dividend

The Board of Directors has recommended a first and final dividend of 4 sen per share comprising 2 sen per share less 28% income tax and 2 sen per share tax exempt (2000: 4 sen less tax at 28%) for the financial year ended 30 June 2001, for approval of the shareholders at the Annual General Meeting.

Prospects

The Group expects a sizeable increase in sales turnover, with the auspicious double launching of Mont'Kiara Damai and Laman Suria condominiums in the second half of 2001. With demand for properties, especially upmarket and quality residential, showing evidence of improving, we are assured of a favourable takeup rate, especially in view of the significant number of loyal customers and their friends who have registered strong interest.



Model of Mont'Kiara Damai condominium



Classy interior of Mont'Kiara condominium unit

Whilst the lifting of restrictions on foreigners buying all types of residential and commercial properties priced above RM250,000 (effective from April) has yet to produce the desired effect in terms of numbers, nevertheless we believe that this relaxation will contribute to a return of foreign confidence in local properties. The long-term outlook for the market is expected to be good, taking into consideration the high population growth rate of 2.6% or an increase of about 600,000 people each year and the historically low interest rate particularly for housing loans. On a global level, there is hope that the US economy will see renewed growth before mid-2002, and this will also have a favourable impact on consumer demand for properties.

Acknowledgement

I would like to express my gratitude to fellow Board members, our shareholders, customers, government authorities, bankers and staff for their continued support and confidence in Sunrise Berhad. Finally, I wish to thank Mr John McLean (representing Citicorp Capital Sdn. Bhd.) for his services on the Board and to welcome his replacement Mr Sneah Kar Loon.

Tan Sri Dato' Lee Soon Seng @ Lee San Choon

PMN, SPMJ, SSIJ, KMN

Chairman



developing

consistent growth



Chief Executive Officer

Golfing green at your doorstep



Comfortable interior



Fine dining close to home



Our name has attained a high level of recognition among buyers. We endeavour to deliver **quality and unrivalled customer services** to meet our buyers' aspirations and maintain loyalty, thus enhancing value for our investors and shareholders. We aim to exceed our customers' and stakeholders' expectations.

CEO's Review of Operations

Dear Valued Shareholders,

The year in review posed many challenges for Malaysian companies that came in the face of a global slowdown precipitated by the US economic downturn. Property firms were not spared the resultant depressing consumer sentiments. Nevertheless, I am pleased to report that we were able to ride out yet another storm with our recipe of *prudence* in operational expenditure, *diligence* in continuously improving performance standards and *excellence* in relationship building with key partners.

The Group's strength is seen in its reputation as a creator of quality lifestyle for the people who live or work in our flagship Sunrise Mont'Kiara, and other parts of Klang Valley where we have completed projects and are providing property and maintenance management services through our wholly-owned subsidiary SCM Property Services Sdn Bhd. This reputation has earned us the loyalty of customers who provide a wide base of

support for our new launches. It also gives us the confidence to spread our lifestyle concepts beyond the established locations.

The Management has taken steps to address the issue of lumpy income and our perceived weakness in the lack of landbank for development. Recurring income from rental of commercial/retail space and from asset and facilities management fees contribute sizably to the Group's performance, on a growing basis. The full potential revenue from this recurring income base is projected to be approximately RM10 million for the next financial year.

Our remaining landbank of 66.54 acres in Sunrise Mont'Kiara is sufficient for an additional 8 – 10 years of high density development for which planning approval has been obtained in principle. Nevertheless, the Management had successfully negotiated for purchase of 3.34 acres in June and 12.71 acres in July,



understanding our market



Sophisticated retail ambience



Abundant fitness facilities



Meeting place for friends



As a developer with long-term commitment to quality and continuous improvement for all, we have devised lifestyle solutions to match the affluence that comes in tandem with the globalised economy. Every unit is **specially designed for comfort.**

giving us an additional 16 acres of freehold land that will extend our development lifespan in Mont'Kiara beyond 2010. Meanwhile, negotiations for joint-venture developments are also on-going with landowners in the Bukit Kiara vicinity and other prime locations elsewhere.

NEW PROJECTS

Intense efforts were made during the year in review to put finishing touches on plan for the much-awaited Mont'Kiara Damai and Laman Suria condominiums, addressed to different market segments. Our preparations included design of innovative marketing tools such as CD-ROM to provide virtual tours for visitors to Sunrise Property Showcase at Plaza Mont'Kiara. Our loyal customers were kept informed through Berita Sunrise newsletter, so that they could register their interest in advance of the launch.

Two proposed landed developments and other mixed residential projects, expected to be approved next financial year, will also add to the Group's healthy growth.

Mont'Kiara Damai

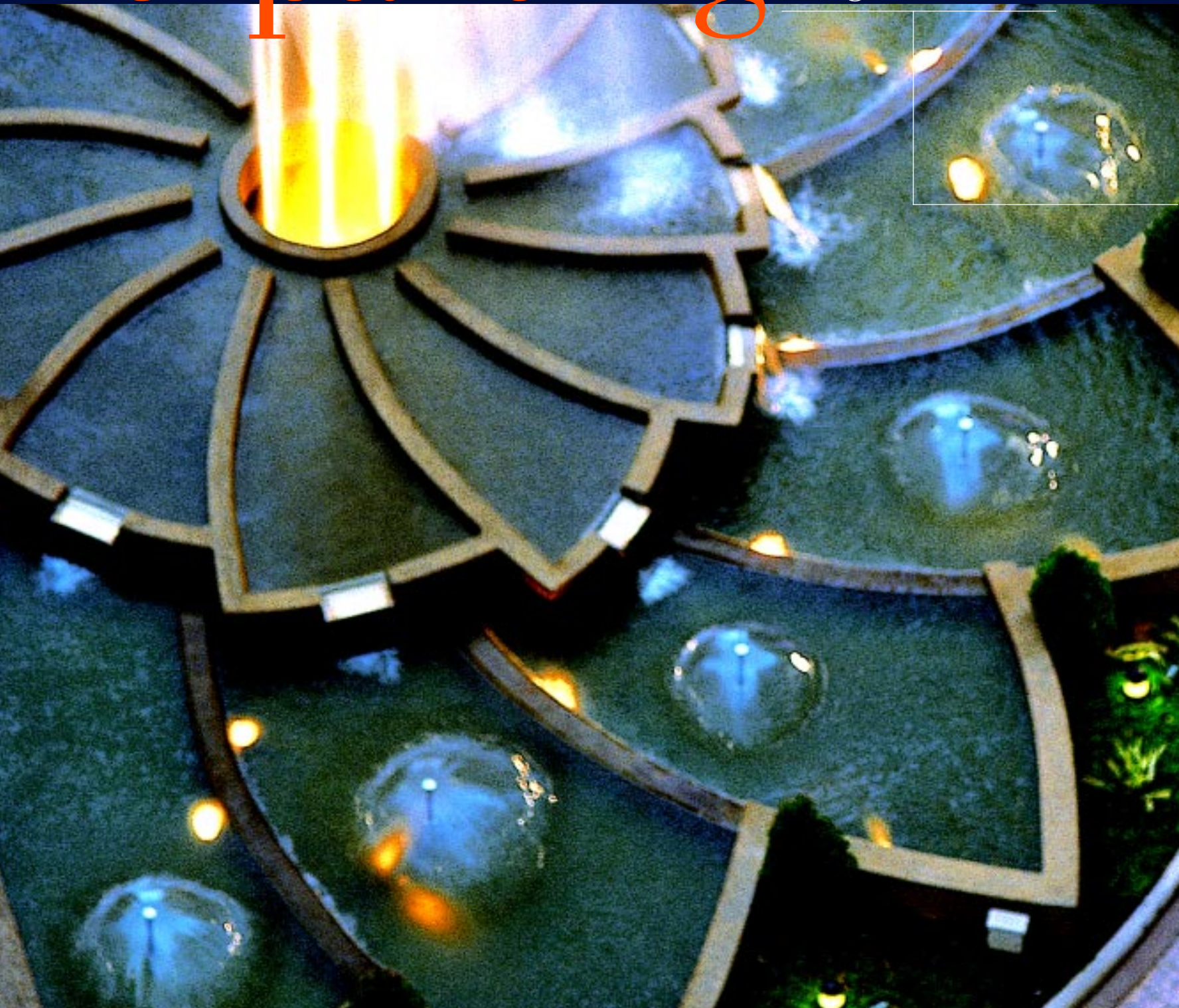
Sales of Mont'Kiara Damai began just as we entered the new financial year in July, and the condominium is projected to bring in a turnover of RM258 million. The 7th condominium in Sunrise Mont'Kiara, its 230 units in a single tower give it the lowest density of 26 units per acre in any Sunrise condominium so far. Already, tremendous interest is being shown by our loyal customers, and we expect a steady pace of sales.

Signaling international confidence in Sunrise is the involvement of our South African partner Corovest Offshore Ltd., which has invested US\$1.5 million (RM5.7 million) in the Mont'Kiara Damai project. Another partner, Irish construction firm Mivan Ltd., is in the midst of investing US\$1 million as at end-June.

Sprawled across 8.3 freehold acres of richly landscaped grounds, Mont'Kiara Damai is a Tropical Asian architectural marvel with superior level of finishing and excellent facilities. Aptly named, its resplendent water features exude serenity and tranquillity.



expanding our global reach



Funtime at the ABC Market



Model of Laman Suria condominium



Jazz artistes giving their best



We are continuously on the lookout for profitable overseas ventures to broaden our base of operations and build **productive relationships and synergies** with partners.

Scheduled for completion in July 2004, the 43-storey Mont'Kiara Damai is targeted primarily at established families who desire a spacious resort lifestyle, as it offers roomy sizes that give a "bungalow in the sky" feeling. Prices range from RM620,860 to RM4,000,000 with size ranges from 2,272 to 3,325 sq ft for standard units, 5,575 to 5,733 sq ft for super deluxe units and 5,934 to 8,727 sq ft for penthouse units.

A 1-acre clubhouse and recreational facilities occupy nearly 40,000 sq ft, with an air-conditioned multi-purpose hall (badminton hall), gymnasium, children's playground, nursery, café, laundrette, gazebo, swimming pool, children's pool, reflecting pool, wading pool, roof terrace, tennis courts, half-basketball court, landscaped garden, BBQ area, pavilion, sauna, changing rooms and lounge. Security control features include access control system, CCTV and visual intercom. There is also a landscape garden, driver's room, reflexology path and games room.

Laman Suria

Soft-launched in August is Laman Suria, a 212-unit condominium that offers comfort and a certain amount of class in much smaller sizes. Standard units, ranging in size between 931 sq ft and 1,178 sq ft, are priced from RM241,000. Super

deluxe (2,147 sq ft) prices range from RM683,400 and penthouses (2,018 sq ft, 2,029 sq ft and 2,147 sq ft) come at a price tag starting at RM772,100.

The 19-storey single-block condominium, on 3 acres of freehold land, is sandwiched between two international schools - Mont'Kiara International School and Garden International School. Facilities include multi-purpose hall, gymnasium, laundrette, swimming pool, children's pool, two tennis courts, barbecue area, children's playground, car wash area, changing rooms and commercial space.

At its very affordable pricing, Laman Suria provides an entry point for many who long to make their home in the famed Bukit Kiara vicinity. The project will make a healthy contribution to the Group next financial year, with anticipated brisk demand and projected sales revenue of RM60 million.

CURRENT PROJECTS

Seremban Forest Heights

Epitomising the dream of refined living, Seremban Forest Heights is envisioned as a paradisaical estate close to nature yet a short hop from Seremban town centre. Covering a freehold



providing quality services



Artist impression of Milequay



Fourways Development



Showhouse unit at Seremban Forest Heights



Conducive environment, ease-of-use facilities and quality living - this is what we provide. Our facilities are **designed for convenience of the people**, be it for businesses, work or pleasure.

land area of 478 acres, the project will see a spread of homes set in a specially nurtured tropical rain forest with kapur, jelutong, tualang and nyatoh as some of the dominant tree species. Yet, the resident is not far from social amenities such as schools, hospital, supermarket, government administrative offices, public transport terminal, public park and recreational facilities.

Launched in April 2001, the initial phases of the project consist of 115 double-storey terrace houses. Despite soft market conditions, the pickup rate has been satisfactory. An attractively-furnished show house is available for viewing from 10.00 am to 5.00 pm daily. Fifty six bungalow units are being planned for a later phase.

Mont'Kiara Bayu

Purchasers can look forward to timely completion of the fully sold 42-storey condominium, with construction of the tower expected to reach the top level in October. Plans are in progress to complete two show units for viewing, so that prospective residents can have a taste of the interior furnishing options.

UPCOMING PROJECT

For traditional home lovers on the lookout for rare nuggets of choice landed residential properties, Sunrise will be offering a very select 13 bungalow lots on freehold land in Seputih, Kuala Lumpur during the next financial year. The sales value of this prized development is approximately RM12 million.

OVERSEAS PROJECTS

Milequay in London

Our 4.6 acre Milequay hotel and apartment complex in London, totalling 700 hotel rooms and 645 residential units, is set to make a transforming presence at the West End of Royal Victoria Docks.

Authority approval has been granted for the first hotel component, which is already in the process of being acquired by the Accor Group. The development is in a much-sought-after growth area of London within a stone's throw from Canary Wharf. There are also plans for supporting retail activities.





The majority partner in this joint venture is London Stock Exchange-listed British property group Marylebone Warwick Balfour Group Plc (MWB). Besides Sunrise Berhad, a third partner is our South African associate, Maccon (UK).

Fourways Development

Although we have sold Fourways Crossing Retail Centre in South Africa to repatriate the profits home, we still retain interest in the office and residential components of the 56-acre node. Authority approval is being sought for conversion of the residential component into commercial/retail development, which will then be offered to the Retail Centre purchasers, Sycam Property Fund and Ellerines Bros (Pty) Ltd.

Honolulu Executive Centre

Within the same year that we sold Fourways Crossing Retail Centre, we planted a stake in the United States through



Swimming pool at Mont'Kiara Astana



AIMS staff and students at the new school site



Artist impression of Mont'Kiara Bayu

investment in an existing 41-storey mixed-use property known as The Executive Centre in Honolulu, Hawaii.

The well-occupied 577,000 sq ft imposing skyscraper consists of 12 lower-lobby and street-level retail spaces, 92 office units, 206 residential units, 119 hotel units and a penthouse which can be used as an office or residential suite. In an adjoining townhouse/parking structure are 24 townhouses. The Executive Centre, located in the heart of Honolulu's Central Business District, will bring income through the occupancy of hotel units and sale of the commercial and residential units.

EDUCATIONAL INSTITUTIONS

AIMS and Amschool

From just a handful of students at commencement of school operations in 2000, Australian International School Malaysia (AIMS) has achieved its centenary with an enrolment that now exceeds 100. The first Australian school in Malaysia, AIMS follows the highly-respected New South Wales Board of Studies curriculum and offers kindergarten to Year 11. A model of the proposed school building at its new location adjacent to Mines Resort City has been unveiled, and site preparations are proceeding.

Our joint-venture American International School in Sydney (Amschool), which opened around the same time as AIMS, is also enjoying a healthy intake with student enrolment exceeding 60. Amschool has an ongoing exchange partnership with AIMS, providing students Down South an opportunity to experience the rich cultural heritage of Malaysia.

LIFESTYLE DEVELOPMENT

Acknowledging the high importance placed by urban residents on the availability of quality cuisine and resort-style entertainment within easy reach, Sunrise has created a gourmet sanctuary in Plaza Mont'Kiara that also serves as a hip, happy and happenin' place. The Plaza's landscaped fountain courtyard is the site of a weekly ABC Market featuring a wide variety of arts and craft stalls. With a capacity to hold 1,500 alfresco diners, it has played host to two spectacular jazz fiestas stretching more than a month each, New Year's Eve countdown, the eclectic Volvo World Music Festival, and Christmas, Raya and Gongxi Fa Cai galas.

Lively
entertainment
at Plaza
Mont'Kiara



In keeping with our annual tribute to the performing arts and culture, Sunrise brought sensational performances by the best of Malaysian jazz artistes for six weekends in July/August 2000 and again, for five weekends in June/July 2001. The second jazz fest showcased a larger number of Malaysian bands, including foreign virtuosos from Indonesia and the Philippines. It was carnival time at the 4-night Volvo World Music Festival in October 2000, when the fountain courtyard became the hub of a wide assortment of ethnic and contemporary music featuring a multitude of international and local artistes.

HUMAN RESOURCE DEVELOPMENT

It is our central philosophy to inculcate into the workforce the right mindset so that customers are assured of continuous

attention and a commitment to deliver excellence. Crucial to this success is our broad-based human capital investment, ranging from weekend training seminars for rank and file to the annual leadership retreat for managers. In addition to teambuilding courses, customer-service workshops and language classes, we have plans for job attachments and study tours overseas to provide further exposure and management development for the staff.

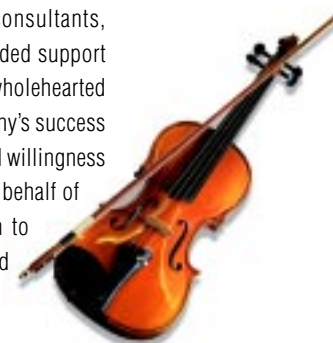


Reflexology path for a
healthy stroll

Particularly successful is our first management training programme wherein carefully-selected management trainees from universities are put through their paces in a rigorous work-cum-training routine to produce highly disciplined and motivated employees. The calibre of these trained individuals prompts us to consider starting a second management training programme soon after the first batch of eight trainees graduate in October 2001.

APPRECIATION

My sincere thanks go to our shareholders and customers for their loyalty and continued trust in our products and services, our partners, business associates especially consultants, contractors and suppliers for providing much-needed support and the various governmental authorities for their wholehearted cooperation. I am grateful to the staff as our company's success is largely due to their professionalism on the job and willingness to walk the extra mile for the customer. Finally, on behalf of the management team and all employees, I wish to express deep appreciation to Members of the Board for standing with us to face every challenge.



Michael K C Yam
Chief Executive Officer

Audit Committee

The overall objective of the Audit Committee is to assist the Board of Sunrise Berhad in discharging its statutory duties and responsibilities relating to financial, accounting, management and reporting practices and to ensure high standards of corporate disclosure to the members of the Company and Kuala Lumpur Stock Exchange.

COMPOSITION

During the year in review, the Audit Committee comprised the following Directors:-

Chairman	Jeswant Natarajan
Member	YBhg. Dato' Ir Hj Abu Bakar bin Hj Mohd Amin
Member	Tee Keng Hoon

All being independent non-executive directors.

AUTHORITY

The Committee is authorised by the Board to seek any information it may require from any employee or person(s) connected with the Company and all such persons are required to co-operate with any request or investigation which may be made or carried out by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure attendance of outside professionals with the relevant experience and expertise if it considers this necessary.

PROCEDURES

The Committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceedings thereof, the keeping of the minutes and the custody, production and inspection of such minutes.

FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and such additional meetings may be held as and when the Committee deems necessary.

Audit Committee (contd.)

TERMS OF REFERENCE

Responsibility

The Audit Committee is to serve as a focal point for communication between non-Audit Committee Directors, the external auditors, internal auditors and Sunrise Berhad's management in all matters relating to financial accounting, reporting and controls.

The Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities as to financial, accounting, management and reporting practices of the Company and all its subsidiaries and to ensuring that such practices conform to the highest possible standards of corporate governance. It is to be the Board's principal agent in ensuring the independence of the Company's external auditors, the integrity of management and management policies and to the adequacy of disclosure to shareholders. The opportunity for the external auditors to meet with the entire Board of Directors as needed is not to be restricted.

Functions

The functions of the committee are:

- a. to review:-
 - i. with the external and internal auditors, their audit plans;
 - ii. with the external auditors, their evaluation of the quality and the effectiveness of the system of internal accounting controls;
 - iii. with the internal auditor, his audit report and his evaluation of the appropriateness of management controls and practice;
 - iv. the assistance given by the Company's officers to both external and internal auditors;
 - v. the scope and results of both external and internal audit procedures; and
 - vi. any related party transactions that may arise within the Company or group.
- b. to review and to provide assistance to the Board of Directors in fulfilling its fiduciary and statutory responsibilities relating to the accounting and operating practices of the Company and all its subsidiaries and associates.
- c. to examine the appropriateness of the management practice and accounting policies adopted by management.
- d. to ensure adequate disclosure of all information essential to a fair and true representation of the financial affairs of the Company and its subsidiaries in accordance with General Accounting Standards and Business Practices.

Audit Committee (contd.)

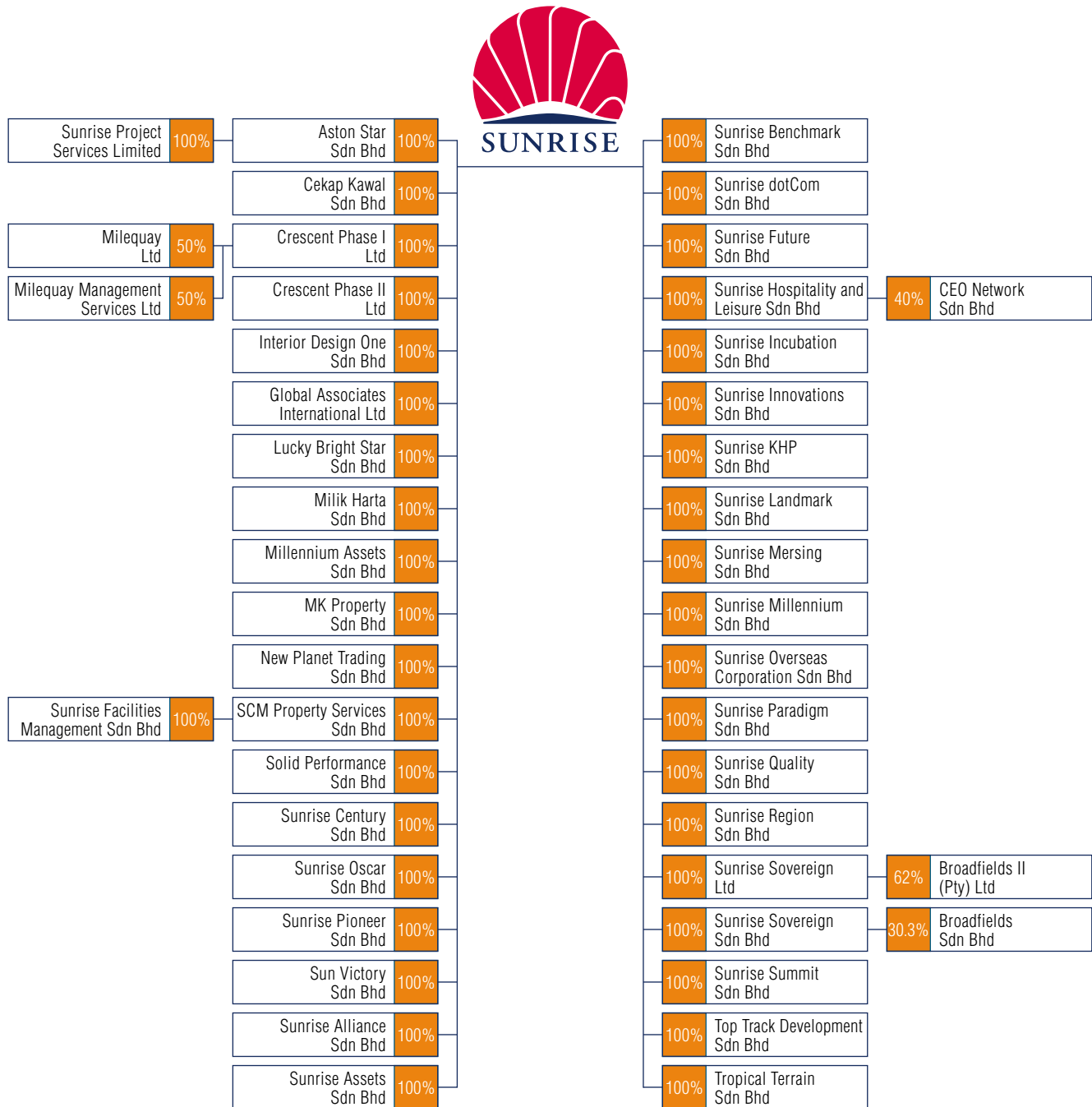
- e. to review, appraise and report to the Board of Directors of Sunrise Berhad all its findings and recommendations together with the reports/comments of the external and internal auditors and to monitor and to ensure an adequate response from management to such.
- f. to recommend to the Board of Directors the nomination, re-election or non-election of the external auditors and provide a written summary of the basis for the recommendations.

together with such other functions as may be agreed to by the Audit Committee and the Board of Directors of Sunrise Berhad.

During the financial year, the activities of the Audit Committee included:

1. Reviewing the External Auditors' scope of work and audit plan of the Group for the financial year ended 30 June 2001.
2. Reviewing and monitoring the internal controls and operating procedures in respect of the various subsidiaries of the Group.
3. During the financial year, the Internal Audit Section presented and completed nine (9) company wide routine audits, four (4) special audits and four (4) follow-up audits covering the operations and activities of the entire Group. The Audit Committee reviewed and approved the respective audit plans of the internal auditors and internal quality auditor for the financial year 2001/2002 and reviewed and approved their findings.
4. Reviewing with the External Auditors the results of the audit, the audit report and recommendations.
5. Reviewing the audited accounts for the financial year end 30 June 2001 and the unaudited quarterly financial results announcements of the Group prior to the Board of Directors' approval.
6. Discussing and reviewing the updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.

Group Structure as at 30 June 2001



Five-Year Performance Highlights

In RM '000	1997	1998	1999	2000	2001
RESULTS					
Revenue	96,284	135,650	141,020	153,657	102,374
Profit before taxation	54,555	24,795	33,323	43,188	29,412
Profit after taxation and minority interest	44,654	15,132	33,329	32,337	20,289
ASSETS AND SHAREHOLDERS' FUNDS					
Total assets employed	444,554	482,901	556,880	624,498	600,297
Paid-up share capital	80,000	80,000	80,341	180,579	181,263
Shareholders' funds	179,483	197,038	226,320	289,337	299,640
SHARE INFORMATION					
Earnings per share	28 sen*	9 sen*	21 sen*	19 sen	11 sen
Net tangible assets per share	RM1.12*	RM1.23*	RM1.41*	RM1.60	RM1.65
Dividend per share	8 sen	3 sen	3 sen	4 sen	4 sen

* Based on enlarged share capital after bonus issue

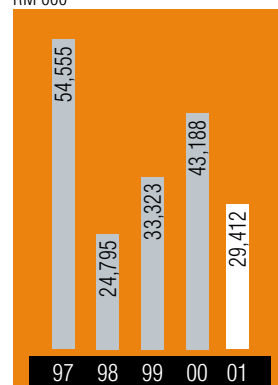
REVENUE

RM'000



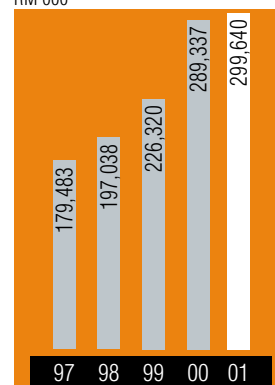
PROFIT BEFORE TAXATION

RM'000



SHAREHOLDERS' FUNDS

RM'000



TOTAL ASSETS EMPLOYED

RM'000

