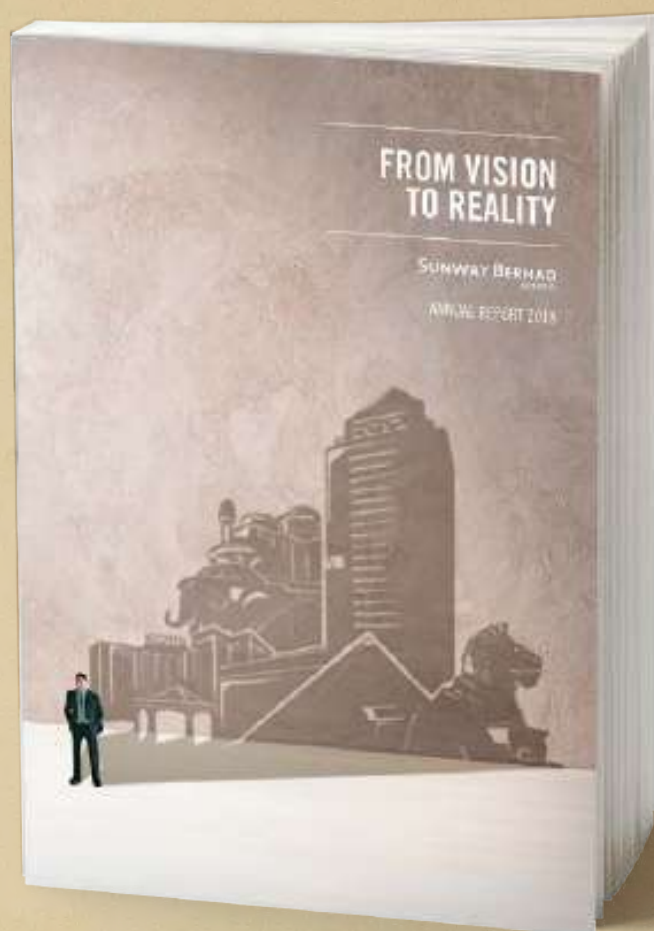

FROM VISION TO REALITY

SUNWAY BERHAD
(921551-D)

ANNUAL REPORT 2018





FROM VISION TO REALITY

It all started with a vision. A vision to make a difference, which sparked the transformation of a tin mining wasteland into a wonderland that we identify as Sunway City today. The theme for Sunway Berhad's 2018 Annual Report portrays how visions can become reality with unwavering ambition and passion. Established on the foundations of sustainable development, Sunway will continue to do its part in turning visions into reality.

Sunway Berhad continues on its Integrated Reporting journey in this annual report.

NAVIGATION GUIDE



Connect to more information within this
ANNUAL REPORT 2018



Connect to more information online at
www.sunway.com.my



Connect to more information in the
SUSTAINABILITY REPORT 2018

VISION

To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow

MISSION

- **Empowering** our people to deliver **enhanced value** to all stakeholders
- **Embracing sustainability** in our business processes and decisions
- Attracting and nurturing a talented and **progressive workforce** for the **digital era**

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

**Non-Executive Co-Chairman,
Independent Non-Executive Director**
Dato' Sri Idris Jala

**Deputy Executive Chairman,
Non-Independent Executive Director**
Tan Sri Datuk Seri Razman M Hashim

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

Non-Independent Executive Director
Sarena Cheah Yean Tih, *S.M.S.*

Senior Independent Non-Executive Director
Wong Chin Mun

Independent Non-Executive Directors
Lim Swe Guan
Tan Sri Dato' Dr. Lin See Yan
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Appointed with effect from 1 March 2018)
Datuk Seri Yam Kong Choy
(Retired on 21 June 2018)

AUDIT COMMITTEE

Wong Chin Mun (Chairman)
Lim Swe Guan
Tan Sri Dato' Dr. Lin See Yan
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Appointed with effect from 1 March 2018)
Datuk Seri Yam Kong Choy
(Resigned on 21 June 2018)

NOMINATION COMMITTEE

Lim Swe Guan (Chairman)
Wong Chin Mun
Tan Sri Dato' Dr. Lin See Yan
Dato' Sri Idris Jala
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Appointed with effect from 1 March 2018)
Datuk Seri Yam Kong Choy
(Resigned on 21 June 2018)

REMUNERATION COMMITTEE

Tan Sri Datuk Dr Rebecca Fatima Sta Maria (Chairman)
(Appointed as Committee Member and Chairman on 1 March 2018 and 21 June 2018 respectively)
Wong Chin Mun
Lim Swe Guan
Tan Sri Dato' Dr. Lin See Yan
Dato' Sri Idris Jala

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Dr. Lin See Yan (Chairman)
Wong Chin Mun
Lim Swe Guan
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Appointed with effect from 1 March 2018)
Datuk Seri Yam Kong Choy
(Resigned on 21 June 2018)

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Wong Chin Mun (Chairman)
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO
Dato' Chew Chee Kin
Sarena Cheah Yean Tih, *S.M.S.*
Foo Shiang Wyne

COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)
Chin Lee Chin (MAICSA 7012347)

REGISTERED OFFICE

Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel No : (603) 5639 8889
Fax No : (603) 5639 9507

SHARE REGISTRAR

Sunway Management Sdn Bhd
(Company no.: 50661-X)
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel No : (603) 5639 8889
Fax No : (603) 5639 9507

AUDITORS

BDO PLT
Chartered Accountants

SOLICITORS

David Lingam & Co.
Mah-Kamariyah & Philip Koh
Sree Harry & Co.

PRINCIPAL BANKERS

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
Sumitomo Mitsui Banking Corporation Malaysia Berhad
HSBC Bank Malaysia Berhad
Public Bank Berhad
Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.sunway.com.my

INVESTOR RELATIONS

Email : irsunwayberhad@sunway.com.my
Tel No : (603) 5639 9257

FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

21 May 2018

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2018

21 November 2018

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2018

21 August 2018

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2018

28 February 2019

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2018

DIVIDEND

- First interim single tier dividend of 3.5 sen per ordinary share for the financial year ended 31 December 2018

Announcement of the notice of entitlement and payment: 21 August 2018

Date of entitlement : 26 September 2018

Date of payment : 18 October 2018

- Second interim single tier dividend for the financial year ended 31 December 2018 comprising:-

- A second interim cash dividend of 2 sen per ordinary share.

Announcement of the notice of entitlement and payment: 5 March 2019

Date of entitlement : 29 March 2019

Date of payment : 18 April 2019

- A share dividend distribution of approximately 48.5 million treasury shares on the basis of 1 treasury share for every 100 ordinary shares held.

Announcement of the notice of entitlement and payment: 5 March 2019

Date of entitlement : 3 April 2019

Date of payment : 18 April 2019

ANNUAL REPORT & ANNUAL GENERAL MEETING

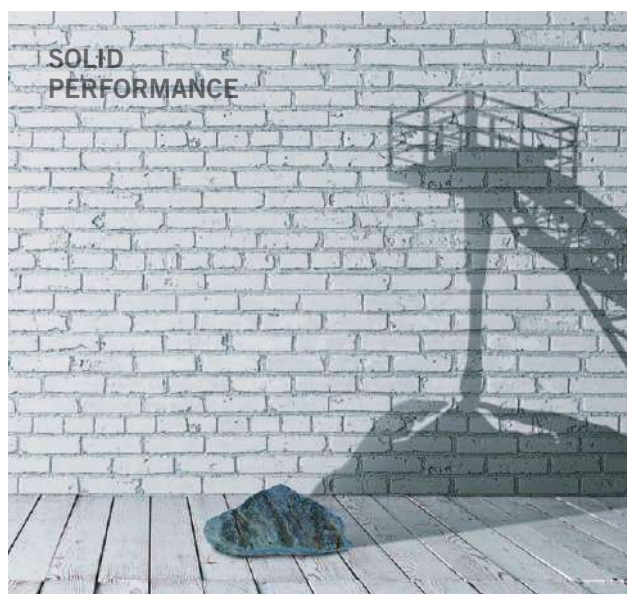
30 April 2019

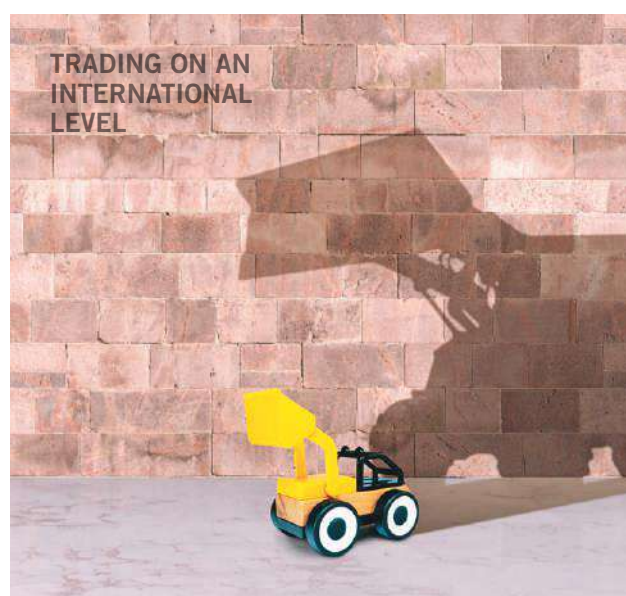
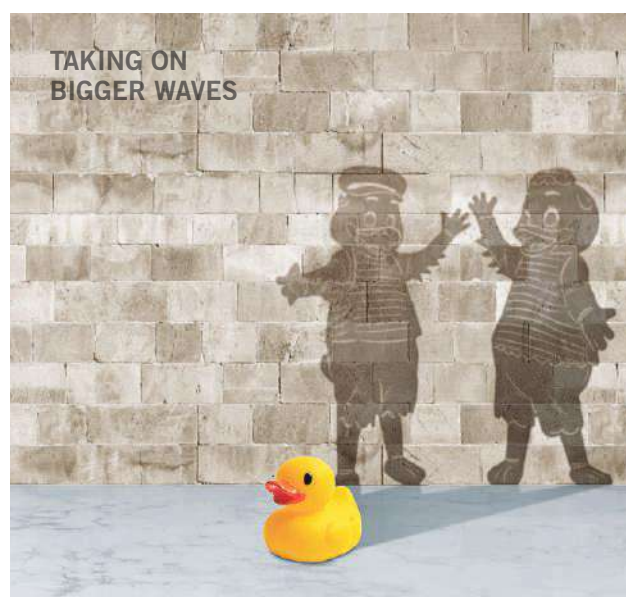
Date of notice of Ninth Annual General Meeting and date of issuance of Annual Report 2018

20 June 2019

Date of Ninth Annual General Meeting

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DELIVERING SWEET DREAMS

As a Master Community Developer, Sunway's Property Development division has delivered close to 30,000 properties in key locations locally and overseas. Under its portfolio are the award winning integrated cities of Sunway City, Sunway Velocity, Sunway City Ipoh, Sunway Penang, and the 1,800-acre Sunway Iskandar, Sunway's largest integrated township development yet. The division will continue to create more visionary and sustainable communities.

CORPORATE SUNWAY

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CORPORATE PROFILE



Sunway City

TRANSFORMATION FOR SUCCESS

Sunway Berhad (“Sunway” or “Group”) began with the establishment of Sungei Way Holdings Sdn Bhd on 26 January 1978. It has successfully travelled the long and exciting road from a tin mining enterprise to a multi-industry conglomerate. This success story is made possible through the steadfast yet visionary leadership of its Founder and Chairman, Tan Sri Dato’ Seri Dr Jeffrey Cheah.

Expanding the breadth of the business into construction, trading and manufacturing, quarry, property development and building materials, and building depth in each of these businesses, eventually led to the listing of the company on the Main Board of Bursa Malaysia on 16 February 1984 as Sungei Way Holdings Berhad. The company subsequently changed its name to Sunway Holdings Incorporated Berhad on 13 December 1999, before finally assuming the name of Sunway Holdings Berhad in 2007.

Its sister company, Sunway City Berhad (initially known as Sri Jasa Sdn Bhd), was formed on 13 July 1982, to tap into the opportunities presented by the nation's growth, especially in the local property development scene. With its aspiration to be among Malaysia's prominent conglomerates, the company continued to broaden its business interests to include property development, property investment, hospitality, healthcare and leisure. Sunway City Berhad was successfully listed on the Main Board of Bursa Malaysia on 8 July 1996, marking a key milestone for the company.

In 2011, Sunway Holdings Berhad and Sunway City Berhad were consolidated to form Sunway Berhad. Crucially, this exercise paved the way for reinforcement of financial strength and resources to take on more sizeable landmark projects. This exercise culminated in the listing of Sunway Berhad on the Main Board of Bursa Malaysia on 23 August 2011.

On 19 September 2014, Sunway Group announced intentions to re-list its construction division under the construction sector on the Main Board of Bursa Malaysia. The listing entailed a restructuring exercise to dispose Sunway Construction Sdn Bhd, held by Sunway Holdings Sdn Bhd, to Sunway Construction Group Berhad ("SunCon"). SunCon was successfully listed on 28 July 2015 with a market capitalisation of RM1.6 billion, ranking it as the second largest Initial Public Offering of the year on Bursa Malaysia. The outstanding debut in a period of domestic market weakness serves as a strong testimony of the steadfast confidence investors have in Sunway. SunCon, as a standalone entity, has more flexibility to explore opportunities unique to the construction industry. Sunway Berhad's controlling stake of 54.4% in SunCon will ensure that the Group continues to derive synergistic benefits to fuel long-term growth.

On 16 June 2017, Sunway Berhad underwent a sector reclassification exercise to change its listing from the Properties sector to the Trading/Services sector on the Main Board of Bursa Malaysia. The move served to strategically accentuate the Group's strength as a conglomerate, and to reflect its strategic ambition to grow the non-property related businesses. On 24 September 2018, Sunway Berhad was reclassified from the Trading/Services sector to the Industrial Products and Services sector, pursuant to Bursa Malaysia Securities' revamp of the sectoral classification for companies listed on the Main Market.

DIVERSITY FOR GROWTH

Sunway has successfully evolved into a diversified conglomerate, with interests in property, construction, leisure, hospitality, trading and manufacturing, quarry, building materials and healthcare. The Group continues to put focus and resources into growing its non-property related businesses to ensure steady financial performance and growth, especially in the modern economics of a fast changing world. The vagaries of sector specific cycles can thus be evened out. To achieve continuous improvement, Sunway continues to strive to attain higher operational efficiency, procurement savings and efficient treasury management, delivering greater value to stakeholders.

Sunway is well-known for its unique 'Build, Own, Operate' business model, exercising active management of the entire property value chain. The typical project cycle begins with landbanking and master-planning, followed by design and construction, marketing and sales, property management and lastly, capital recycling via Sunway Real Estate Investment Trust ("REIT") upon maturity of the properties. This dynamic differentiation enables complete control over the Group's property development value chain, incorporating design efficiencies and innovations directly into the end products to unlock value for property purchasers and its communities.

Sunway City, the Group's flagship integrated township is a living embodiment of Sunway's identity as a master community developer. Previously a barren tin mine, this 800-acre development is now a Green Building Index (GBI) certified sustainable township that houses eight fundamental components of residential, commercial, education, hospitality, retail, leisure, healthcare and industrial. Sunway City attracts more than 42 million visitors annually. The nation's first elevated Bus Rapid Transit (BRT) and the Light Rail Transit (LRT) Kelana Jaya Line Extension further facilitate seamless connectivity to Sunway City. The township also emerged as the first recipient of the Low Carbon City Award at the ninth Malaysian Institute of Planners (MIP) Awards for Planning Excellence in 2016.

Sunway remains confident and committed to replicating Sunway City's successful business model in Sunway City Ipoh, Sunway Velocity in Kuala Lumpur, Sunway Penang and Sunway Iskandar in Johor. As the largest asset owner in its townships, the Group will continue to co-invest, build communities and deliver sustainable value to its stakeholders into the future.

SUSTAINABILITY FOR THE FUTURE

Helmed by an experienced management team that embodies the Group's core values of Integrity, Humility and Excellence, Sunway remains dedicated to its pursuit of excellence in the sectors it operates in, while continuing to take on corporate social responsibilities to give back to society. The alignment of the Group's business model, strategies, practices and culture with the United Nations Sustainable Development Goals provide a balance between economic development and sustainability.

Sunway has experienced continuous growth over the years, maturing into an esteemed organisation that stands among the top 100 largest stocks in Malaysia with a market capitalisation of RM7.2 billion as at 31 December 2018. Sunway Construction Group Berhad is the largest listed pure play construction company in Malaysia by revenue, while Sunway REIT, a 40.9%-owned associate, is the second largest REIT in Malaysia by property value, with a portfolio of high grade assets. The combined market capitalisation for the three listed companies collectively totalled up to RM14.1 billion as at 31 December 2018.

Built on a foundation of strong track records over the past four decades, proven business models, experienced management and a dedicated workforce of 16,000, Sunway Group remains in a position of strength to navigate the challenging marketplace and capitalise on opportunities.

SUNWAY'S VALUE CREATION

Sunway's business model is at the core of all its practices. The delivery of sustainable distribution and growth is achieved through adding value to the inputs that Sunway depends on and creating value for multiple stakeholders through proactive capital management, prudent risk management, sustainable development goals, and in line with Sunway's core values, vision and mission.

Guided by core values of
INTEGRITY, HUMILITY and
EXCELLENCE

Driven by Sunway's
VISION:

To be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow.

CAPITAL INPUTS

MANUFACTURED CAPITAL

Sunway is a leading conglomerate with business interests in Property Development, Property Investment, REIT, Leisure, Hospitality, Construction, Trading and Manufacturing, Quarry, Building Materials and Healthcare.



Please refer to Corporate Profile and Management Discussion and Analysis for more information.

FINANCIAL CAPITAL

Sunway seeks to efficiently utilise funds generated from operations or investments and through optimal equity and debt financing structures.



Please refer to Financial Review and Capital Management in the Management Discussion and Analysis for more information.

INTELLECTUAL CAPITAL

Sunway's management's skills, multiple years of industry experience and expertise, coupled with the strong Sunway brand, form an important part of its intellectual capital.



Please refer to Profile of Board of Directors and Profile of Senior Management for more information.

HUMAN CAPITAL

Sunway continues to develop the talent of its most important asset – Sunwayians, and all employees work in cohesion to complete its human capital ecosystem.



Please refer to Sustainability Report 2018 for more information.

NATURAL CAPITAL

Sunway seeks to efficiently utilise land, water and energy in the operation of its businesses. Sunway is committed to sustainable development.



Please refer to Sustainability Report 2018 for more information.

SOCIAL AND RELATIONSHIP CAPITAL

Sunway engages and maintains strong relationships with key stakeholders, namely its Shareholders, Customers, Suppliers, Environment, Employees, Government and Industry Affiliations, and Communities.



Please refer to Chairman's Statement, Management Discussion and Analysis and Investor Relations for more information.



Please refer to Sustainability Report 2018 for more information.

ADDING VALUE

Sunway adds value by capitalising on its diversified businesses and unique business model, and harnessing group synergies across its value chain through close customer understanding and market monitoring.

TO SELL



Maximisation of land value through strategic landbanking, master planning and development to balance growth, cash flow and management of inventory.

FOR OTHERS



Proven contractor with strong technical expertise to drive efficiencies, timeliness, cost savings and high quality through highly specialised expertise in Design & Build and Virtual Design and Construction (VDC).

FOR SELF



Property and Construction collaboration from planning stage to reduce delays and design inefficiencies. In-house jobs provide bedrock orders.

TO OPERATE



Yield optimisation through creation of space and asset enhancement initiatives. Management of assets to drive operational yield for hospitality, leisure, retail, commercial, healthcare and industrial components, with potential for future REIT injection.

FOR YIELD



Acquisition or organic growth opportunities with management of capital and yield.

SUNWAY'S BUSINESS DIVISIONS INCLUDE:



PROPERTY DEVELOPMENT



PROPERTY INVESTMENT AND REIT



LEISURE



HOSPITALITY



CONSTRUCTION

MISSION:

- Empowering our people to deliver enhanced value to all stakeholders
- Embracing sustainability in our business processes and decisions
- Attracting and nurturing a talented and progressive workforce for the digital era

SYNERGIES WITH OTHER DIVISIONS:

Trading & Manufacturing with regional presence of 6 countries and 13,000 customer base; Quarry with 6 quarries and 13 asphalt plants; and Building Materials with 8 manufacturing facilities.



Please refer to Management Discussion and Analysis for more information.

Incorporation of Environmental, Social and Governance (ESG) sustainability considerations into Sunway's daily operations through responsible business practices. Sunway is committed to achieving the United Nation's 17 Sustainability Development Goals (SDGs), setting up the largest commitment to-date through the Jeffrey Sachs Center on Sustainable Development.



Please refer to Sustainability Report 2018 for more information.

Robust risk management to mitigate risks in a dynamic business environment and adopting high standards of corporate governance.



Please refer to Corporate Governance Overview Statement and Statement of Risk Management and Internal Control for more information.

CREATING VALUE

Sunway creates value for its stakeholders and its businesses by carefully managing and adding value to capital inputs.

Revenue:

RM5.4 billion

Profit Before Tax:

RM850.0 million

Dividend per share:

7.12 sen

Direct employment:

16,000 employees

Total visitors to Sunway City:

42 million per annum

Cumulative property units delivered:

Approx. 30,000

Assets under management:

RM9.9 billion

Combined market capitalisation of the Group's three listed companies:

RM14.1 billion

Sunway City community:

200,000 people



Please refer to Corporate Profile and Management Discussion and Analysis for more information.



Please refer to Sustainability Report 2018 for more information.

SHARING VALUE

Sunway shares the value created with its stakeholders or retains it to ensure business sustainability.

SHAREHOLDERS

Sunway manages all inputs to create profits which benefit shareholders through capital appreciation and dividend payments.

CUSTOMERS

Sunway offers strong value proposition through quality products and services, timely delivery and safety, in turn, building value for its customers' businesses.

SUPPLIERS

Sunway supports businesses throughout its value chain with emphasis on long term relationships.

ENVIRONMENT

Sunway creates positive impact through its environmental conservation initiatives.

EMPLOYEES

Sunway develops and motivates employees through career development, training and job opportunities.

GOVERNMENT AND INDUSTRY AFFILIATIONS

Sunway upholds best practices for compliance and corporate governance in the operations of its businesses.

COMMUNITIES

Communities where Sunway operates benefit through job creation, continuous improvement to infrastructure and safety, and use of its products and services.



Please refer to Management Discussion and Analysis and Share Performance for more information.



Please refer to Sustainability Report 2018 for more information.



TRADING AND MANUFACTURING



QUARRY

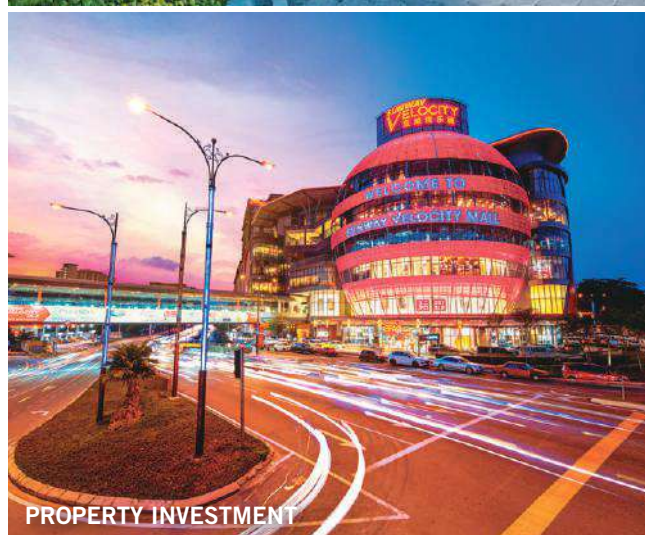


BUILDING MATERIALS



HEALTHCARE

GROUP CORPORATE STRUCTURE





GROUP CORPORATE STRUCTURE

PROPERTY DEVELOPMENT

- Sunway Integrated Properties Sdn Bhd
- Sunway South Quay Sdn Bhd
- Sunway PKNS Sdn Bhd
- Sunway D'Mont Kiara Sdn Bhd
- Sunway City (Penang) Sdn Bhd
- Sunway Bintang Sdn Bhd
- Sunway City Properties Sdn Bhd
- Sunway City (Ipoh) Sdn Bhd
- Sunway Tunas Sdn Bhd
- Sunway Semenyih Sdn Bhd
- Sunway City (JB) Sdn Bhd
- Sunway Iskandar Sdn Bhd *
- Sunway Iskandar Development Sdn Bhd *
- Sunway Monterez Sdn Bhd
- Sunway Grand Sdn Bhd
- Sunway Melawati Sdn Bhd
- SunwayMas Sdn Bhd
- Sunway Termuning Sdn Bhd
- Sunway Rawang Heights Sdn Bhd
- Sunway Kanching Heights Sdn Bhd
- Sunway Bangi Sdn Bhd
- Sunway Eastwood Sdn Bhd
- Sunway Kiara Sdn Bhd
- Sunway Subang Sdn Bhd
- Sunway Serene Sdn Bhd
- Sunway Marketplace Sdn Bhd *
- Sunway Parkview Sdn Bhd *
- Sunway Seafront Sdn Bhd *
- Sunway Velocity Two Sdn Bhd *
- Sunway Kinrara Sdn Bhd
- Hoi Hup Sunway Development Pte Ltd **
- Hoi Hup Sunway J.V. Pte Ltd **
- Hoi Hup Sunway Property Pte Ltd **
- Hoi Hup Sunway Miltonia Pte Ltd **
- Hoi Hup Sunway Tampines Pte Ltd **
- Hoi Hup Sunway Yuan Ching Pte Ltd **
- Hoi Hup Sunway Pasir Ris Pte Ltd **
- Hoi Hup Sunway Mount Sophia Pte Ltd **
- Hoi Hup Sunway Sengkang Pte Ltd **
- Hoi Hup Sunway Clementi Pte Ltd **
- Hoi Hup Sunway Canberra Pte Ltd **
- Sunway Australia Unit Trust #
- Sunway Guanghao Real Estate (Jiangyin) Co. Ltd #
- Tianjin Eco-City Sunway Property Development Co. Ltd **
- Associated Circle Sdn Bhd
- Commercial Parade Sdn Bhd
- Bisikan Seni Sdn Bhd
- Imbasan Intisari Sdn Bhd
- Tidal Elegance Sdn Bhd
- Emerald Freight Sdn Bhd
- Park Symphony Sdn Bhd
- Winning Excellence Sdn Bhd
- Contemporary Factor Sdn Bhd
- Prosper Revenue Sdn Bhd
- Sunway Belfield Sdn Bhd
- Sunway Avila Sdn Bhd (formerly known as Sunglobal Resources Sdn Bhd) *
- Sunway Supply Chain Enterprise Sdn Bhd
- Daksina Harta Sdn Bhd *
- Sunway Permai Sdn Bhd
- Sunway GD Piling Sdn Bhd

PROPERTY INVESTMENT

- Sunway Pinnacle Sdn Bhd
- Sunway Giza Mall Sdn Bhd
- Sunway Giza Parking Sdn Bhd
- Sunway Destiny Sdn Bhd
- Sunway MUSC Sdn Bhd
- Sunway Monash-U Residence Sdn Bhd
- Sunway Residence Sdn Bhd
- Sunway Pyramid Development Sdn Bhd
- Sunway Velocity Mall Sdn Bhd *
- Sunway REIT Management Sdn Bhd *
- Sunway Real Estate Investment Trust **
- Sunway PFM Sdn Bhd
- Sunway IFM Sdn Bhd
- Sunway Parking Services Sdn Bhd
- Sunway Mall Parking Sdn Bhd
- Sunway Ambience Sdn Bhd
- Sunway Facility Management Sdn Bhd
- Sunway Symphony Sdn Bhd
- Sunway Century Sdn Bhd
- Rich Worldclass Sdn Bhd
- Sunway Tower 1 Sdn Bhd
- Sunway Townhouse Sdn Bhd
- Sunway Orient Sdn Bhd
- Sumber Dorongan Sdn Bhd
- Sunway Nexis Parking Sdn Bhd
- Sunway Transit System Sdn Bhd
- Sunway Geo Parking Sdn Bhd
- Sunway REM Sdn Bhd
- Sunway Geo Sdn Bhd
- Sunway International Vacation Club Sdn Bhd
- Reptolink Sdn Bhd
- Galaxy Avenue Sdn Bhd
- Sunway Sustainability Solutions Sdn Bhd
- Sunway Leisure Sdn Bhd

LEISURE

- Sunway Lagoon Sdn Bhd
- Sunway Lost World Water Park Sdn Bhd
- Sunway Lagoon Club Berhad
- Sunway Travel Sdn Bhd
- Sunway Healthy Lifestyle Sdn Bhd
- Sunway Synergy Sdn Bhd (formerly known as Sunway Leisure Services Sdn Bhd)
- Pyramid Bowl Sdn Bhd *

HOSPITALITY

- Sunway Resort Hotel Sdn Bhd
- Sunway Velocity Hotel Sdn Bhd *
- Sunway Putra Hotel Sdn Bhd
- Sunway Biz Hotel Sdn Bhd
- Sunway Hotel (Seberang Jaya) Sdn Bhd
- Sunway Lost World Hotel Sdn Bhd
- Sunway International Hotels & Resorts Sdn Bhd
- Kinta Sunway Resort Sdn Bhd
- Sunway Hotel Phnom Penh Ltd #
- Sunway Hotel Hanoi Liability Limited Company with one member #

CONSTRUCTION

- Sunway Construction Sdn Bhd
- Sunway Engineering Sdn Bhd
- Sunway Concrete Products (S) Pte Ltd #
- Sunway Geotechnics (M) Sdn Bhd
- Sunway Precast Industries Sdn Bhd
- Sunway Machinery Sdn Bhd
- Sunway Concrete Products (M) Sdn Bhd

TRADING AND MANUFACTURING

- Sunway Marketing Sdn Bhd
- Sunway Enterprise (1988) Sdn Bhd
- Sunway Hydraulic Industries Sdn Bhd
- Sunway Marketing (East Malaysia) Sdn Bhd
- Sunway Hose Centre Sdn Bhd
- Sunway Marketing (S) Pte Ltd #
- Sunway Marketing (Thailand) Ltd #
- Sunway Marketing (Vietnam) Co Ltd #
- PT Sunway Flowtech #
- PT Sunway Trek Masindo #
- PT Sunway Pacific Flow #
- Sunway TotalRubber Ltd #
- Sunway TotalRubber Services Franchising Pty Ltd #
- Sunway Hydraulic Industries (Wuhu) Co Ltd #
- Sunway Trading (Shanghai) Pte Ltd #
- Sunway Daechang Forging (Anhui) Co Ltd #
- Sunway Winstar Sdn Bhd
- Sunway Saf-T-Quip Sdn Bhd
- Sunway United Star Sdn Bhd
- Sunway Hsing Yeat Sdn Bhd
- Sunway Coating Solutions Sdn Bhd
- Jaya DIY Mart Sdn Bhd

QUARRY

- Sunway Quarry Industries Sdn Bhd
- Sunway Quarry (Kuala Kangsar) Sdn Bhd
- Sunway Quarry Industries (Melaka) Sdn Bhd
- Twinners (Malaysia) Sdn Bhd

BUILDING MATERIALS

- Sunway Paving Solutions Sdn Bhd
- Sunway Paving Solutions (Sabah) Sdn Bhd (formerly known as Telipok Concrete Sdn Bhd)
- Sunway VCP Sdn Bhd
- Sunway Spun Pile (M) Sdn Bhd
- Sunway Spun Pile (Zhuhai) Co Ltd #

HEALTHCARE

- Sunway Medical Centre Sdn Bhd
- SunMed@Homes Sdn Bhd
- SunMed Clinics Sdn Bhd
- SunMed Velocity Sdn Bhd
- Sunway Specialist Centre Sdn Bhd
- Sunway Medical Centre (Singapore) Pte Ltd #

INVESTMENT HOLDINGS AND OTHERS

- Sunway City Sdn Bhd
- Sunway Holdings Sdn Bhd
- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway Management Services Sdn Bhd (formerly known as Allson International Hotels & Resorts Sdn Bhd)
- Sunway Shared Services Sdn Bhd
- Sunway HR Shared Services Sdn Bhd
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad *^
- Sunway City (S'pore) Pte Ltd #
- Sunway Real Estate (China) Limited #
- Eastern Glory Enterprises Limited #
- Sunway REIT Holdings Sdn Bhd
- Sunway Treasury Sdn Bhd
- Sunway Treasury Sukuk Sdn Bhd
- Sunway Investment Management Consultancy (Shanghai) Co. Ltd #
- International Theme Park Pty Ltd #
- Sunway Developments Pte Ltd #
- Fortuna Gembira Enterpris Sdn Bhd
- Hartford Lane Pty Ltd #
- Sunway FSSC Sdn Bhd
- Sunway Labuan Investment Ltd
- Sunway Pals Loyalty Sdn Bhd
- Deco Style Sdn Bhd
- Sunway Design Sdn Bhd
- Sunway Construction Group Berhad ^
- Sunway Pendas Management Sdn Bhd
- Sunway Southern Management Sdn Bhd
- Sunway Brands Sdn Bhd
- Sunway Money Sdn Bhd
- Sunway Pharma Sdn Bhd
- Sunway PopBox Sdn Bhd
- Monumental Productions Sdn Bhd
- Sun Sea Capital Sdn Bhd
- Sunway Ventures Sdn Bhd
- Sunway Leadership Centre Sdn Bhd
- Pasir Mas Holdings Sdn Bhd
- Fame Parade Sdn Bhd
- Emerald Tycoon Sdn Bhd
- Sunway Quantum Sdn Bhd (formerly known as Sunway Ordera Sdn Bhd)
- Sunway (Tianjin) Management Consultancy Co. Ltd. #
- Sunway Land Pte Ltd #
- Sunway City India Private Limited #
- SunCity Vietnam Sdn Bhd
- Konsep Objektif (M) Sdn Bhd

Notes:

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Joint venture company

SUNWAY IN THE NEWS



S'pore estate buy a boon for Sunway

RM1.59bil deal will help group expand footprint in city-state

By CHRISTOPHER KAM
Singapore correspondent

PELANGI has secured a RM1.59-billion deal to acquire a 100% stake in the Singapore-based property developer, Sunway City, which is a subsidiary of Sunway Group. The deal is expected to be completed by the end of the year.

NATIONAL DAY CARNIVAL

A nostalgic trip awaits in Sunway City at the *100th Malaysia Carnival*, held in conjunction with National Day on Aug 31 and Sept 1, from 10am to 10pm, in front of Sunway Resort Hotel and Spa. Visitors can enjoy cultural performances, listen to talented young vocalists and musicians, indulge in Malaysian cuisine.

Sunway's building blocks of success

While other developers slow down, the group plans to monetise parcels of prime land around KL in the next few months

By CHRISTOPHER KAM
Singapore correspondent

While other developers slow down, Sunway is planning to monetise parcels of prime land around Kuala Lumpur in the next few months. The group is looking for opportunities to develop and sell land parcels in the city.

Sunway Property plans to double new launches

Developer targeting to increase sales to at least RM1.3bil this year

By CHRISTOPHER KAM
Singapore correspondent

Sunway Property is targeting to increase its sales to at least RM1.3 billion this year. The developer is planning to double its new launches in the coming months.

双威财团16亿购狮城地

债务低现金多负担小

【星洲16日讯】双威（SUNWAY）财团以16亿新加坡元收购狮城地，这是双威财团在狮城地最大的收购案。双威财团表示，收购狮城地后，将有助于其扩大在狮城地的业务。



Australia on Sunway's radar

Sunway is looking for opportunities to develop and sell land parcels in Australia.



SunCon in talks with potential JV partners in Myanmar, Indonesia

BY WONG EELIN

KUALA LUMPUR: Sunway Construction Group Bhd (SunCon), having expressed its intention to expand into Asean, said it is now in discussions with potential joint-venture (JV) partners in Myanmar and Indonesia, according to its managing director Chung Soo Kiong (pic).

雙威醫療中心推介先進伽瑪刀器械

雙威醫療中心（SunMed）日前舉行「先進伽瑪刀器械」推介會，邀請多位專家學者，共同探討伽瑪刀在醫療領域的應用。雙威醫療中心表示，伽瑪刀是一種先進的放射治療技術，可以精確地治療各種腫瘤。

NEC成首選資訊科技供應商

双威依斯干达打造智慧城

【星洲16日讯】双威依斯干达（Sunway Iskandar）日前宣布，NEC已成为其首选的资讯科技供应商。双威依斯干达表示，NEC提供的资讯科技产品和服务，将有助于其打造智慧城。

SCHOLARSHIPS & AWARDS CEREMONY

创新高达3千學生獲獎學金

謝富年基金今年頒7200萬

【吉隆坡12日讯】謝富年基金（JCF）今年共發出7200萬令吉獎學金給3000名优秀学生。謝富年基金表示，獎學金將用於支持學生的學業和個人發展。

Bringing smiles to underprivileged schoolchildren

Sunway is committed to supporting education and providing opportunities for underprivileged schoolchildren.



Sunway to build medical centre in Seberang Jaya

Sunway is planning to build a medical centre in Seberang Jaya, which will provide healthcare services to the community.

SEBERANG JAYA: Sunway is planning to build a medical centre in Seberang Jaya, which will provide healthcare services to the community. The medical centre will include various medical facilities and services.



雙威產業8地點推計劃

總值20億較去年倍增

【星洲16日讯】双威集团（Sunway Group）日前宣布，将在未来8个月内推出价值20亿令吉的发展计划。双威集团表示，这些计划将包括开发新的住宅和商业项目。

Rising together to fight hunger

Young chefs, students and Sunway employees make a difference through meal-packing

【星洲16日讯】双威集团（Sunway Group）日前发起了一项名为“Rising together to fight hunger”的活动，旨在通过打包餐食来帮助有需要的人士。双威集团表示，这项活动得到了许多年轻厨师、学生和员工的积极参与。

Sunway Iskandar, NEC jalin kerjasama

KUALA LUMPUR 25 Sept. - Sunway Iskandar dan NEC Asia Pacific Pte. Ltd. (NEC) menandatangani memorandum persefahaman (MoU) bagi memajukan kerjasama dalam memperingkatkan keselamatan dan pembangunan penyelesaian bandar pintar di Pusat Kecemerlangan Inovasi (CoE).

Sunway Iskandar dalam kenyataannya berkata, MoU berkenaan turut melantik NEC sebagai vendor pilihan bagi penyedia peralatan dan sistem integrasi bazi diakhirnya.

双威依斯干达打造智慧城

双威依斯干达打造智慧城

【星洲16日讯】双威依斯干达（Sunway Iskandar）日前宣布，将打造一个智慧城。双威依斯干达表示，智慧城将是一个集住宅、商业和休闲于一体的综合发展项目。

鼓勵創新 改善生產

雙威依斯干达打造智慧城

【星洲16日讯】双威依斯干达（Sunway Iskandar）日前宣布，将鼓励创新和改善生产。双威依斯干达表示，创新和改善生产将有助于提高企业的竞争力。

Unit SunCon, HLBM meterai perjanjian usaha sama

KUALA LUMPUR: Sunway Concrete Products (S) Pte Ltd (SCPS), unit tidak langsung milik perniagaan Sunway Construction Group Bhd (SunCon), telah meterai perjanjian usaha sama (JV) dengan HL Building Materials Pte Ltd (HLBM), anak syarikat Hong Leong Asia Ltd yang terasmark di Bursa Saham Singapura.

Dalam makluman kepada Bursa Malaysia Kematian, SunCon berkata sebuah syarikat JV turut ditubuhkan bagi menyediakan binaan tanah di Singapura daripada Pihak Berkuasa Bangunan dan Pembinan (BCA).

Sunway labor RM500 juta bina pusat perubatan

BUTTERWORTH—Kumpulan Sunway merencanakan untuk membangun sebuah pusat perubatan yang dilengkapi 350 katil bernilai RM500 juta di Seberang Jaya di sini.

Ketua Pegawai Eksekutif Sunway REIT, Datuk Jeffrey Ng berkata, projek pembinaan fasa pertama itu bakal merangkumi kemudahan 180 katil dan dipinjamkan kemudian pada masa hadapan ini.



Sunway Carnival Mall gets RM500m expansion, facelift

BY CHONG CHIAH LIAW
It is a new era for Sunway Carnival Mall. The mall is set to undergo a major expansion and facelift, with a total cost of RM500 million. The project is expected to be completed by 2020, and will transform the mall into a modern shopping and entertainment hub.

From wasteland to wonderland: Calvin Ho, Senior General Manager of Sunway Theme Parks



Malaysian theme park Sunway Theme Parks has come a long way since its beginnings at a former mining site.

Sunway Theme Parks - home of Asia's first Nickelodeon-based attraction and the world's largest tunnel ride, the Vortex - is one of Malaysia's most popular family destinations. It is



Light up the night

A new attraction in the Lost World of Tambora is bringing storytelling and science to create a magical landscape.

Light up the night is a new attraction in the Lost World of Tambora, a theme park in Ipoh, Perak. The attraction is a light art installation that tells the story of the park's history and the science of light. It is a must-see for visitors to the park.

Tourism boost for Ipoh properties

International visitors to Ipoh are expected to increase significantly in 2018, boosting the local property market.

Tourism in Ipoh is expected to see a significant boost in 2018, with an estimated 1.5 million international visitors. This is expected to drive growth in the local property market, particularly in the areas of hotels and residential properties.

Back to school with new supplies

Students in Ipoh are excited to start the new school year with new supplies and uniforms.

Back to school season is in full swing in Ipoh, with students excited to start the new school year. Many are purchasing new supplies and uniforms, and some are even buying new shoes. The local retail sector is expected to see a boost in sales.



SUNWAY'S SOUTHERN GEM OF A TOWNSHIP

Sunway's Southern Gem of a Township is a new township development in the south of Malaysia, offering a mix of residential, commercial, and recreational facilities.

Sunway's Southern Gem of a Township is a new township development in the south of Malaysia. It is a mix of residential, commercial, and recreational facilities, including a shopping mall, a hotel, and a golf course. The township is expected to be completed by 2020.

双威太子广场荣膺最佳购物中心

Sunway Putra Mall has been awarded the title of Best Shopping Mall in Malaysia for the 10th year.

双威太子广场荣膺最佳购物中心 (Sunway Putra Mall has been awarded the title of Best Shopping Mall in Malaysia for the 10th year). The award is a recognition of the mall's commitment to providing a high-quality shopping experience for its customers.

Sunway's second quarter net profit marginally up

PETALING JAYA: Sunway Bhd's second quarter net profit was marginally higher at RM104.4 million for the quarter ended June 30, 2018, compared with RM104.0 million for the quarter ended June 30, 2017. The group's net profit after tax and minority interest (patent) would have been higher by 16.2% if not for the adoption of MFRS 15.

Back to school with new supplies

Students in Ipoh are excited to start the new school year with new supplies and uniforms.

Back to school season is in full swing in Ipoh, with students excited to start the new school year. Many are purchasing new supplies and uniforms, and some are even buying new shoes. The local retail sector is expected to see a boost in sales.



Nic vs David

In the latest episode of the travel show 'Nic vs David', the two hosts explore the beauty of Ipoh.

Nic vs David is a travel show that explores the beauty of Ipoh. The show features two hosts, Nic and David, who travel around the world and share their experiences with the audience. The latest episode of the show features the hosts exploring the beauty of Ipoh.

Group bags top honours at Malaysia Tourism Awards

Sunway Group has been awarded the top honours at the Malaysia Tourism Awards for its contribution to the tourism industry.

Sunway Group has been awarded the top honours at the Malaysia Tourism Awards for its contribution to the tourism industry. The group has been recognized for its commitment to providing a high-quality tourism experience for its customers.

星報產業獎頒獎禮 雙威榮獲兩大獎

Sunway Group has been awarded two major awards at the Star Awards for Industry.

星報產業獎頒獎禮 雙威榮獲兩大獎 (Sunway Group has been awarded two major awards at the Star Awards for Industry). The awards are a recognition of the group's commitment to providing a high-quality service to its customers.

DRAWING THE RIGHT TALENT

The key to attracting talent is establishing the right culture. This is one of the reasons Sunway Bhd is a top employer in Malaysia.

The key to attracting talent is establishing the right culture. This is one of the reasons Sunway Bhd is a top employer in Malaysia. The group has a strong commitment to providing a high-quality work environment for its employees.

Sunway Malls Going Strong Amidst Challenges

The brand has collected multiple awards in 2017 and has more plans in the pipeline.

Sunway Malls are going strong amidst challenges. The brand has collected multiple awards in 2017 and has more plans in the pipeline. The group is committed to providing a high-quality shopping experience for its customers.

Jeffrey Cheah and Sunway Group: SETTING THE BENCHMARK FOR SUSTAINABILITY

The founder of Sunway leads his group to deliver profits while serving the public good.

Jeffrey Cheah and Sunway Group: SETTING THE BENCHMARK FOR SUSTAINABILITY (The founder of Sunway leads his group to deliver profits while serving the public good). The group is committed to providing a high-quality service to its customers while also contributing to the community.

Sunway to see stable earnings growth for next 2 years

Sunway Bhd is expected to see stable earnings growth for the next two years, driven by its strong performance in the real estate and retail sectors.

Sunway Bhd is expected to see stable earnings growth for the next two years, driven by its strong performance in the real estate and retail sectors. The group is committed to providing a high-quality service to its customers.

SunMed unveils Gamma Knife Icon to treat brain cancer

SunMed has unveiled the Gamma Knife Icon, a new device used to treat brain cancer.

SunMed has unveiled the Gamma Knife Icon, a new device used to treat brain cancer. The device is a significant advancement in the treatment of brain cancer.

Sunway poised to achieve its sales target

Sunway Bhd is expected to achieve its sales target for the year, thanks to its strong performance in the real estate and retail sectors.

Sunway Bhd is expected to achieve its sales target for the year, thanks to its strong performance in the real estate and retail sectors. The group is committed to providing a high-quality service to its customers.

Walking the talk on sustainability

Sunway Bhd is committed to sustainability and is walking the talk by implementing various sustainable practices.

Walking the talk on sustainability (Sunway Bhd is committed to sustainability and is walking the talk by implementing various sustainable practices). The group is committed to providing a high-quality service to its customers while also contributing to the environment.

Sunway catat untung

Sunway Bhd has recorded a strong profit for the year, reflecting its successful operations in the real estate and retail sectors.

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“檳城的未來在威省” 曹觀友：終獲印證

曹觀友在檳城發表講話，強調威省對檳城未來發展的重要性。

“檳城的未來在威省” 曹觀友：終獲印證 (曹觀友在檳城發表講話，強調威省對檳城未來發展的重要性). The group is committed to providing a high-quality service to its customers.

Scholarships Awards Ceremony

Sunway Bhd has organized a scholarship awards ceremony to recognize the achievements of its students.

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CALENDAR OF SIGNIFICANT EVENTS

13

JANUARY
2018

SUNWAY 'BACK TO SCHOOL' PROGRAMME PROVIDES AID TO 850 STUDENTS



Sunway Group acknowledges the importance of bridging the gap in education inequality. Through the Sunway 'Back to School' programme this year, Sunway brought smiles to almost 850 students in SK and SMK Bandar Sunway with special back-to-school packages.

Each package contained a school uniform, a school bag, a water bottle, and track bottoms for sporting activities to start them off on the right track for the new school year.

This programme is in line with Sunway's pledge to #SunwayForGood, which underscores Sunway's sustainability and social responsibility efforts to create a positive and far-reaching impact on the nation.

23

JANUARY
2018

SUNWAY HOSTS 'CELEBRITY CHEF: EAST VS WEST'



Sunway University's School of Hospitality hosted the Fox Networks Group Asia (FNGA) original production 'Celebrity Chef: East vs West' featuring Hong Kong superstar, Nicholas Tse, and Canadian celebrity chef, David Rocco. The show saw the chefs travel around Asia as they uncover the best dishes in the region and share their culinary knowledge.

Sunway City, Kuala Lumpur and The Banjaran Hotsprings Retreat, Ipoh were the official destination partners for the series in Malaysia, and hosted the chefs during their stay in Malaysia. Over the course of five days, the chefs undertook their first challenge in Malaysia amidst the lush limestone hills of The Banjaran Hotsprings Retreat in Ipoh, Perak, before taking on their second challenge in Sunway City Kuala Lumpur, Malaysia's premier holiday destination.

6

FEBRUARY
2018

SHARE BECAUSE YOU CARE – CHINESE NEW YEAR CHEER 2018



155 urban poor and cancer-stricken families from around the Klang Valley were accompanied by volunteers from the Sunway Group who took them shopping for groceries at Sunway Putra Mall to cook a reunion dinner for their families on the eve of Chinese New Year.

The shopping trip was in conjunction with Sunway's 'Share Because You Care – Chinese New Year Cheer 2018' programme, an annual initiative to reach out and touch the lives of the less privileged, and to create a sustainable impact in improving the lives of its communities, especially during major festive seasons. Over the years, Sunway Group has celebrated major festive seasons with more than 100,000 people from all walks of life across Malaysia.

As part of the commitment to #SunwayForGood, which is Sunway's pledge to continue to do good, and stand alongside Malaysians, for good, various business units from Sunway came together to distribute provisions to the underprivileged for the Chinese New Year.

15
FEBRUARY
2018

SUNWAY ACQUIRES BROOKVALE PARK IN SINGAPORE FOR REDEVELOPMENT

Sunway acquires first land for 2018 in Singapore

KUCHING: Sunway Bhd (Sunway) and Hoi Hup, SDPL and SC Wong Pte Ltd (SC Wong) have entered into a collective sale and purchase agreement to acquire a prime 8.6-acre plot of land for S\$530 million (about RM1.59 billion) in Clementi, Singapore for redevelopment into a new private residential development.

Currently, the 999-year leasehold land is the site for a 160-unit private residential estate named Brookvale Park.

Clementi is a mature residential neighbourhood which is also known for the tertiary educational institutions located there, including Ngee Ann Polytechnic, Singapore Polytechnic, and the National University of Singapore. Nearby amenities include a five-storey Clementi Mall.

Subject to approval from the authorities, the plan is to redevelop

which Hoi Hup, SDPL and SC Wong Pte Ltd (SC Wong) to have equity interest to the proportion of 60 per cent: 30 per cent: 10 per cent.

SDPL is a wholly-owned subsidiary of Sunway Holdings Sdn Bhd, which is in turn a wholly-owned subsidiary of Sunway. Hoi Hup is a real estate development company in Singapore while SC Wong is an investment holding company in Singapore. The proposed development is expected to contribute positively to the earnings of Sunway from the financial year ending December 31, 2019 onwards.

While there is no guidance from management regarding the potential gross development value (GDV), the research arm of Kenanga Investment Bank Bhd (Kenanga Research) estimated it to range between S\$630 million and S\$800 million based on the

Sunway Berhad, via its wholly-owned subsidiary Sunway Developments Pte Ltd ("SDPL") and Singapore developer Hoi Hup Realty Pte Ltd ("Hoi Hup") entered into a collective sale and purchase agreement with the collective majority owners of Brookvale Park to acquire Brookvale Park in Singapore for a total consideration of S\$530.0 million (approximately RM1.59 billion).

The property will be redeveloped into a new private residential development via a 60:30:10 joint venture company between Hoi Hup, SDPL and SC Wong Pte Ltd.

The site is located within the Sunset Way enclave designated for two-storey bungalows and private residential developments. It is also a short drive away from Holland Village, Bukit Timah Nature Reserve and near to reputable tertiary and international education institutions, such as Ngee Ann Polytechnic, Singapore Polytechnic, National University of Singapore, Singapore University of Social Sciences and the Canadian International School.

3
MARCH
2018

SUNWAY CARNIVAL MALL TO UNDERGO EXPANSION



The groundbreaking ceremony for expansion works and refurbishment of Sunway Carnival Mall, Penang took place with YAB Tuan Lim Guan Eng officiating the event in the presence of Sunway REIT CEO, Dato' Jeffrey Ng.

The expansion will increase the mall's net lettable area to 830,000 square feet by 2020, with nine storeys of retail space and seven levels of car park.

Upon completion of the expansion, the existing wing of the mall will undergo a refurbishment exercise to synchronise the overall concept of the mall.

31
MAY
2018

TAN SRI DR JEFFREY CHEAH SPEAKS ALONGSIDE GLOBAL PHILANTHROPISTS



Tan Sri Dr Jeffrey Cheah was invited to be one of the keynote speakers at the UBS Philanthropy Conference in Singapore themed Legacy and Philanthropy: Collaborating for Social Change.

Speaking on his experience of building a sustainable empire, Tan Sri Dr Jeffrey Cheah explained how his childhood experiences led him to become personally committed to philanthropy and sustainable development. His staunch commitment has led Sunway Group to become the champion of the United Nations Sustainable Development Goals in Malaysia and Southeast Asia.

Tan Sri Dr Jeffrey Cheah spoke alongside some of the most prominent philanthropists in the world including Ms Graça Machel, wife of the late Mr Nelson Mandela and founder of the Graça Machel Trust, Ms Wendy O'Neill of the Rockefeller Foundation, who is the sixth generation of one of the wealthiest families in America and Mr Hannes Schmid whose philanthropic work has transformed thousands of lives in Cambodia.

CALENDAR OF SIGNIFICANT EVENTS

5

JUNE
2018**SUNWAY GROUP BRINGS CHEER TO ORPHANS IN SELANGOR**

The festive season came early for over 270 children from eight orphanages as Sunway Group hosted them for a fun-filled day in conjunction with Hari Raya Aidilfitri.

The programme is part of the 'SunwayForGood Raya Cheer 2018' project which aimed to reach 4,500 underserved individuals in B40 groups in 13 locations in Kuala Lumpur, Selangor and Penang. The homes were handpicked by SAY Community and Lembaga Zakat Selangor as some of the most deserving. The eight homes were Pertubuhan Kebajikan Ehsan Ash-Shakur, Rumah Kebajikan Anak Yatim Al-Munirah, Rumah Amal Baitul, Persatuan Rumah Anak Yatim Damai Kuang, Rahoma Darul Fakir, Rumah Kasih Harmoni, Pertubuhan Amal Rumah Anak Yatim dan Hidayah Al-Hijrah and Rumah Amal Al-Firdaus.

This was the largest single Hari Raya initiative yet for the Sunway Group which has celebrated festive seasons with underserved communities over 17 consecutive years since 2001 including Chinese New Year, Hari Raya and Deepavali. To date, Sunway's festive cheer programmes have touched over 100,000 lives.

26

JUNE
2018**SUNWAY MONETISES INVESTMENT IN SINGAPORE JV**

Sunway disposed its 30% stake in a joint venture (JV) Hoi Hup Sunway Novena Pte Ltd ("HHSN") to Hoi Hup Realty Pte Ltd for a cash consideration of S\$39.88 million (approximately RM118.2 million).

HHSN was incorporated in December 2012 to undertake the Royal Square at Novena development in Singapore, which comprises a hotel, medical units and retail units. Royal Square at Novena was successfully completed on 12 July 2017, with HHSN recording accumulated profits of S\$132.5 million from the project.

The proposed disposal marks the completion of the project and enables Sunway to exit and monetise its investment in HHSN.

3

AUGUST
2018**SUNWAY RISES AGAINST HUNGER**

Volunteers in Ipoh, Penang, Klang Valley and Johor Bharu donned gloves and hair caps to pack 500,000 specially formulated nutrition-dense dehydrated meals comprising rice, lentils, dehydrated vegetables and a flavouring mix including 23 essential vitamins and minerals for the most impoverished families in three countries.

The meal-packing took place in five locations, namely Sunway University and Sunway Medical Centre in Klang Valley, Sunway International School in Johor, Sunway Lost World Hotel in Ipoh and Sunway Hotel Seberang Jaya in Penang.

A total of 250,000 meals were distributed around the most poverty-stricken communities in Malaysia, 100,000 meals were delivered to homeless shelters and orphanages in Cambodia, and the remaining 150,000 meals to refugee communities in Timor Leste.

16
AUGUST
2018

**TAN SRI DR JEFFREY CHEAH
SHARES HIS KNOWLEDGE DURING
TFM WEEK**



During the Teach For Malaysia (“TFM”) Week, Founder and Chairman, Tan Sri Dr Jeffrey Cheah and Deputy Executive Chairman, Tan Sri Razman Hashim, who are also Trustees of the Jeffrey Cheah Foundation (JCF), took on the role as teachers and shared their experiences and insights with Form 1 students at SMK Kepong and SMK Puchong Perdana respectively.

TFM Week is one of TFM’s most significant events where key influencers, including corporate figures, celebrities and members of the civil service spend time as “teachers” for a day, co-teaching a lesson in school with a TFM Fellow.

In addition to the teaching sessions by the corporate leaders, the Jeffrey Cheah Foundation has pledged another RM150,000 to TFM, bringing its contribution to a total of RM600,000 since the partnership started in 2012.

31
AUGUST
2018

**#JOMMALAYSIA CARNIVAL
MERDEKA CELEBRATION**



Sunway Group delivered an all-immersive Malaysian experience through its specially-curated #JomMalaysia Carnival in conjunction with National Day. The carnival took place in front of Sunway Resort Hotel and Spa in Sunway City, Kuala Lumpur and was open to the public.

Visitors who attended the carnival experienced the Malaysian journey through five experiential spaces – Flavours of Malaysia (Food), Voices of Malaysia (Music), Cultures of Malaysia (Dance), Arts of Malaysia (Arts & Crafts), and Games of Malaysia (Games), which showcased the diversity of heritage and culture of Malaysia.

7
SEPTEMBER
2018

**SUNWAY BREAKS GROUND FOR
HOSPITAL IN SEBERANG JAYA**



Sunway commemorated the start of construction works for Sunway Medical Centre in Seberang Jaya as part of the Group’s healthcare expansion plans. This marks the healthcare division’s maiden foray into Penang and part of the larger expansion plans for Sunway City Seberang Jaya.

The first phase of the medical centre will have a capacity of 180 beds, including a six-bedded intensive care unit that manages complex adult, children and baby cases. The centre’s core specialities will include Neurology and Neurosurgery, Clinical and Medical Oncology, Orthopaedic and Cardiac and Vascular, and will be equipped with the latest medical innovations including the Linear Accelerator and PET/CT scanner.

CALENDAR OF SIGNIFICANT EVENTS

12

SEPTEMBER
2018**SUNWAY BAGS SINGAPORE
EXECUTIVE CONDOMINIUM
PROJECT**

Sunway Berhad, via its wholly owned subsidiary Sunway Developments Pte Ltd (“SDPL”) together with Hoi Hup Realty Pte Ltd (“Hoi Hup”) were awarded a 4.46-acre plot of land at Canberra Link, Sembawang, Singapore for a 99-year lease term at S\$271 million (approximately RM817.2 million), following a successful joint tender bid.

The land will be acquired by a new joint venture company in which Hoi Hup or its nominee company and SDPL will have equity interest in the proportion of 65:35. The joint venture company will undertake the development of executive condominium on the land parcel.

14

SEPTEMBER
2018**SUNWAY PARTNERS MOH AND
PDRM FOR A HEALTHIER, CLEANER
AND SAFER SUNWAY CITY**

In a move to protect members of the public from exposure to second-hand smoke, the Ministry of Health (MoH) has appointed a team of auxiliary police in Sunway City to enable them to educate and enforce a zoned smoking policy in the 800-acre township of Sunway City, Kuala Lumpur, towards creating a healthier, cleaner and safer environment for everyone.

Supported by the Polis DiRaja Malaysia (PDRM), the initiative is in line with Malaysia’s aim to reduce smoking prevalence to 15% by 2025 and to be a smoke-free nation by 2045, as stated in the National Strategic Plan for Tobacco Control 2015-2020.

Since 24 August 2018, the team in Sunway City has been educating the public, by placing no-smoking signs, buntings and banners to inform about designated no-smoking zones. Smoking is prohibited in all Sunway-owned buildings in Sunway City.

24

SEPTEMBER
2018**SUNWAY AND NEC SIGN MOU TO
DEVELOP SMART CITY SOLUTIONS
IN SUNWAY ISKANDAR**

Sunway Iskandar and NEC Asia Pacific Pte Ltd (“NEC”) signed a Memorandum of Understanding (“MoU”) to explore a collaboration which aims to augment safety and security for the 1,800-acre Sunway Iskandar township in Johor and to develop smart city solutions together in an Innovation Centre of Excellence (CoE).

The MoU will see the appointment of NEC as one of Sunway Iskandar’s preferred ICT Vendor (system integrator and equipment provider).

NEC plans to invest an estimated RM100 million into the township of Sunway Iskandar, which will create skilled tech jobs and develop local “technopreneurs” and tech-savvy talents within the economic growth corridor of Iskandar Malaysia.

5

OCTOBER
2018**SUNWAY LEADERS CONFERENCE
2018**

Sunway Leaders Conference 2018, held at Sunway Pyramid Convention Centre, is an annual one-day conference organised to engage and inspire Sunway executives.

Notable speakers such as Kate Sweetman, Founding Principal of SweetmanCragun Group, Professor Roy Chua from Singapore Management University and Former Faculty of Harvard Business School, and Gigi Wang, Faculty Member at the University of California-Berkeley Sutardja Center for Entrepreneurship & Technology were present at the event.

Participants also had the opportunity to vote for the winners of the #SunwayForGood and "Creative SDG Group Photo" competition organised to instil the notion of sustainable development in Sunway Group.

7

OCTOBER
2018**SUNWAY FAMILY DAY**

Sunway Lagoon played host once again to Sunway's annual Family Day. Close to 18,000 Sunway employees and their family members attended the yearly event to enjoy the attractions that the theme park has to offer. The event was officiated by the Kelab Sosial Sunway President and kicked-off with a performance by Sunway Lagoon's own marching band, followed by telematches and games.

Sunway employees received goodie bags upon entry, as well as meal vouchers for a selection of over 20 stalls located throughout the theme park. Sunway's Family Day is held yearly to foster closer relationships amongst Sunway employees and their families.

7

OCTOBER
2018**JOINING HANDS IN SUPPORT OF
SUSTAINABLE DEVELOPMENT
GOALS**

To commemorate the third anniversary of the launch of the United Nations Sustainable Development Goals (UNSDG), a total of 8,165 Malaysians joined hands, pledging their support of the UNSDGs at various locations in Sunway City, including Sunway University, Monash University Malaysia, Sunway Medical Centre, Sunway Lagoon, Sunway Hotel and Sunway Pyramid.

Key figures present included visiting ambassadors, corporate leaders, government ministers and social media influencers.

The SDGs provide a holistic framework for all countries to eradicate poverty and deprivation, grow economies, protect the environment, advance peace and promote good governance, among others.

CALENDAR OF SIGNIFICANT EVENTS

8

OCTOBER
2018**LAUNCH OF ILABS MAKERSPACE
AND THREE NEW INTERNATIONAL
COLLABORATIONS**

Sunway's non-profit incubator and accelerator, Sunway iLabs, launched its Sunway iLabs Makerspace with five initial industry partners, Google, NEC, Hitachi Sunway, Xperanti and GE, which aims to equip students and entrepreneurs with a collaborative space and tools for innovation.

The event also saw Sunway iLabs announcing three new international collaborations – the European Commission-funded South East Asia Social Innovation Network (SEASIN), the University of California, Berkeley; and Silicon Valley accelerator, A3 Global Collider, which will provide students and entrepreneurs with additional sources of capital, mentorship and links to international markets.

Sunway iLabs' initiatives and the launch of the Sunway iLabs Makerspace facility ensure the availability of future talents by equipping students with the necessary skillsets, preparing them for the fourth industrial revolution; aligned with the Ministry of Higher Education's commitment to equip our students holistically to enable their success in the 21st century.

9

OCTOBER
2018**SUNWAY UNIVERSITY LAUNCHES
MASTER IN SUSTAINABLE
DEVELOPMENT MANAGEMENT**

Jeffrey Sachs Center on Sustainable Development at Sunway University is a hub of research and policy practice, delivering world-class programs to train students, practitioners and policy leaders on sustainable initiatives while working in collaboration with industry, agencies, government bodies and universities worldwide. In line with this, the Center launched its first Masters programme.

YB Yeo Bee Yin, Minister of Energy, Science, Technology, Environment and Climate Change, Malaysia and Member of Parliament for Bakri, Johor delivered the keynote address before officiating the launch of the Master in Sustainable Development Management programme with Tan Sri Dr Jeffrey Cheah and Professor Jeffrey Sachs.

The Master in Sustainable Development Management at Sunway University is formulated to equip passionate, ambitious people from multidisciplinary backgrounds to become pioneers who will be adept at management and problem-solving using analytics and systems thinking guided by global concerns.

28

OCTOBER
2018**FAMILIES CELEBRATE 'DEEPAVALI
CHEER' WITH SUNWAY**

Sunway sparked Deepavali merriment for some 143 families with a scrumptious luncheon treat in the Sri Cengal Ballroom of Sunway Hotel Seberang Jaya. Each family also received financial aid, groceries and school bags for school-going children. The event, aimed at spreading festive joy to members of the lower income group, was made more memorable by the presence of YB Prof. Dr P Ramasamy, Deputy Chief Minister 2 of Penang.

The event is part of Sunway's Light of Hope programme which is under its C.A.R.E (Community Aid, Reach-out and Enrichment) project, a pillar of its corporate social responsibility (CSR) initiative to enrich the lives of the community. This 'Deepavali Cheer' initiative in particular is in line with the SDG Goal 1: End Poverty and Goal 11: Sustainable Cities and Communities.

Intertwined with Sunway's core values of Integrity, Humility and Excellence, #SunwayForGood encapsulates Sunway's sustainability and social responsibility efforts as the Group strives to create a far-reaching impact on the nation and humankind.

30
OCTOBER
2018

SUNWAY CITY RECOGNISED AS AN ALL-INCLUSIVE WONDERLAND



Sunway City was recognised as an “Inclusive Development” by the Selangor Town and Country Planning Department at the state’s World Township Planning Day celebration held in Shah Alam.

Sarena Cheah received the coveted award from the Sultan of Selangor, Sultan Sharafuddin Idris Shah alongside Federal Department of Town and Country Planning Selangor Director, Dato’ TPr. Haji Muhamad Ridzuan Arshad.

The recognition acknowledges our contribution in integrating public transportation into Sunway City, fulfilling citizens’ mobility needs while raising the quality of life in the township. This transit-oriented township is home to Malaysia’s first elevated Bus Rapid Transit and offers free shuttle buses plying the city.

12
NOVEMBER
2018

FIRST CAMBRIDGE-ROYAL PAPWORTH-SUNWAY HEART AND LUNG SYMPOSIUM AT SUNWAY MEDICAL CENTRE



Sunway Medical Centre launched its first Cambridge-Royal Papworth-Sunway Heart and Lung symposium, which is part of a collaboration between Sunway Medical Centre and Royal Papworth Hospital in the development of clinical services at Sunway Medical Centre through training and research.

Royal Papworth Hospital is a world-leading heart and lung hospital, which performed the world’s first heart, lung and liver transplant in 1986. World renowned cardiothoracic surgeon (retired) Professor John Wallwork, who pioneered the introduction of heart-lung transplantation in the UK, also took the time to attend the symposium as one of the main guest speakers.

The collaboration between Royal Papworth and Sunway will see further development of clinical services in the field of cardiology, respiratory medicine, cardiothoracic surgery and thoracic oncology, education and training of our health professionals, and also research and trials.

5
DECEMBER
2018

SUNWAY LAUNCHES SOAPFUL



Sunway’s Hospitality division, in collaboration with Ecolab Sdn Bhd, Kinder Soaps Sdn Bhd and Selangor Youth Community (“SAY”) launched Soapful – an initiative to repurpose used soap bars from all its hotels. The Hospitality division presented 1,000 bars of repurposed soap to Pertubuhan Kebajikan Anak Yatim Darul Ehsan Malaysia (PKAYDEM) to kick start the project.

Moving forward, Sunway will collect used soap bars from its hotels in raw form, to be delivered to the home. Kinder Soaps will be teaching the children from PKAYDEM the process of soap-making to produce repurposed soaps on their own, and SAY will continue to identify subsequent beneficiaries of this project. The aim of the project is for the homes to be able to produce their own repurposed soaps for their personal use and to be sold at charity sales, community markets and social platforms.

The project is part of Sunway’s commitment to the United Nations Sustainable Development Goals (SDG), fulfilling SDG Goal 12: Responsible Consumption and Production.

AWARDS & ACCOLADES

14 MARCH 2018

SUNWAY BAGS TWO AWARDS AT THE STARPROPERTY.MY AWARDS 2018

EVENT:

StarProperty.my Awards 2018



AWARDS RECEIVED:

- The All-Star Award (Top Ranked Developers of the Year)
- The Five Elements Award (Best Comprehensive Township)

Sunway Berhad bagged two awards at the StarProperty.my Awards, clinching the “All-Star Award” and the “Five Elements Award” by Sunway Iskandar.

The “All-Star Award – Top Ranked Developers of the Year” recognises developers who demonstrated consistency in creating and adding value to their property projects. It also recognises the state-of-the-art developments and business models that take into account corporate and social responsibilities via the development of sustainable communities.

Sunway Iskandar, Sunway’s largest township yet, spanning over 1,800 acres in Iskandar Malaysia, Johor, bagged “The Five Elements Award” which recognises townships which integrate environment, connectivity, security, amenities and community. With 40% of Sunway Iskandar preserved as green space, the township, which is also known as Nature’s Capital City, has integrated special buffer zones for wildlife protection.

4 MAY 2018

SUNWAY MEDICAL CENTRE NAMED THE BEST MEDICAL TOURISM HOSPITAL

EVENT:

Global Health and Travel 2018 APAC Healthcare & Medical Tourism Awards

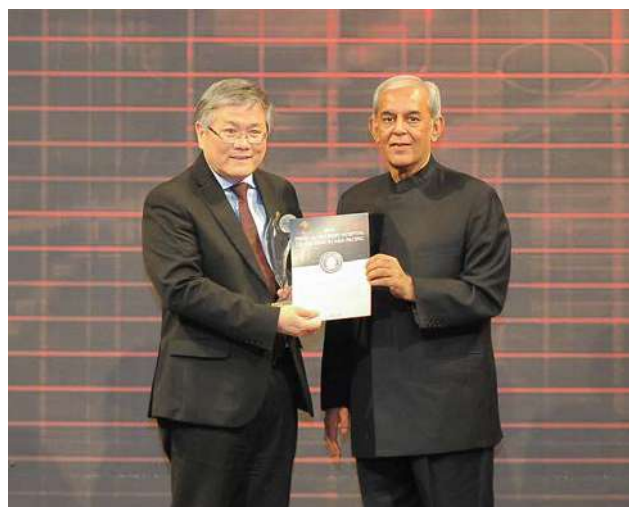
Known for its world-class healthcare facilities and contributions to medical tourism, Sunway Medical Centre (“SunMed”) was recognised as Medical Tourism Hospital of the Year in Asia Pacific at the Global Health and Travel (“GHT”) Awards 2018.

SunMed won the award alongside the renowned Bumrungrad Hospital in Thailand, with Singapore’s Mt Elizabeth Hospital as runner-up. SunMed’s excellence in its fields of specialisation saw the hospital win awards as the Oncology Service Provider of the Year in Asia Pacific, and the Neurology Service Provider of the Year in Asia Pacific.

The GHT Awards is an international platform that independently and objectively recognises top health care providers that have maintained consistently high standards in delivering customer value and demonstrated outstanding performances in initiatives that improve the way healthcare is delivered through areas such as leadership, technological innovation, customer service and strategic product development.

AWARDS RECEIVED:

- Medical Tourism Hospital of the Year in Asia Pacific
- Oncology Service Provider of the Year in Asia Pacific
- Neurology Service Provider of the Year in Asia Pacific



7 MAY 2018

SUNWAY WINS GOLD AT MALAYSIA'S BEST MANAGED PROPERTY AWARDS 2018

EVENT:

EdgeProp Malaysia's Best Managed Property Awards 2018

AWARD RECEIVED:

- Gold award – Above 10 Years Non-Strata Office



Sunway won the Gold award for Menara Sunway in the category of 'Above 10 Years Non-Strata Office' at the EdgeProp Malaysia's Best Managed Property Awards 2018.

Sunway was awarded the honour for its tremendous transformation of the 25-year-old Menara Sunway, which houses Sunway Group's headquarters in Sunway City, into a smart and sustainable office tower, utilising a combination of expertise from its Centre of Excellence. This is Sunway's third win since receiving the Silver award in the 'Non-Strata Commercial' category and the Editor's Choice Awards – Built for Sustainability for Sunway Pinnacle in 2017. The EdgeProp Malaysia's Best Managed Property Awards is organised by EdgeProp.my in partnership with Nippon Paint Malaysia and Panasonic Malaysia.

26 JUNE 2018

SUNWAY MEDICAL CENTRE RECOGNISED FOR BEST-IN-CLASS CSR PRACTICES

EVENT:

14th Frost & Sullivan Malaysia Excellence Awards

AWARD RECEIVED:

- Healthcare CSR Company of the Year

Sunway Medical Centre won the Healthcare CSR Company of the Year 2018 award at the 14th Frost & Sullivan Malaysia Excellence Awards.

The award recognises the hospital for its sterling CSR efforts in the successful 5-year Let's Take 5 (Diabetes Awareness) campaign as well as the on-going Let's ACE (Attack Cancer Effectively) campaign, along with other pocket CSR initiatives.

CSR is deeply inculcated in the people and day-to-day operations at the hospital. This award is a testament to Sunway's diligent and innovative efforts in contributing back to the society.



AWARDS & ACCOLADES

29 JUNE 2018

EIGHTH CONSECUTIVE WIN AT BCI ASIA AWARDS

EVENT:

BCI Asia Awards 2018



AWARD RECEIVED:

- Malaysia's Top 10 Property Developer

For the eighth consecutive year, Sunway Berhad won the Top 10 Developers award at BCI Asia Awards, which recognises excellence and success of developers and architects in the region.

The BCI Asia Awards is presented annually to the Top 10 Developers and Architects in seven key Asian markets, namely the Philippines, Hong Kong, Indonesia, Malaysia, Singapore, Thailand and Vietnam, that have made the greatest contributions to the built environment in the prior year.

Winners of this award are judged by the extent of their sustainability both socially and environmentally as established by BCI Asia's comprehensive project leads research, and by the confirmed green building ratings awards through World Green Building Council (WGBC) accredited certifications.

13 JULY 2018

SUNWAY PALS LAUDED AMONG REGION'S BEST LOYALTY PROGRAMMES

EVENT:

The Loyalty & Engagement Awards 2018

Sunway's loyalty programme, Sunway Pals, clinched the Silver award in the Best Card-Based Loyalty Programme and, along with Sunway Velocity Mall, the Bronze in the Best Loyalty Programme (Retailer) at the sixth edition of the APAC Regional Loyalty & Engagement Awards 2018 held in Singapore.

Aside from being recognised in these two categories, Sunway Pals was also a finalist in the following categories – Loyalty Programme of the Year, Best Use of Contests/Promotions and Best Use of Direct Marketing.

Sunway Pals is the only Malaysian-grown brand with five recognitions and two wins at the competition. This places the Sunway brand in the same league as global marketing greats such as Carlsberg, Porsche, Shell and Johnson & Johnson.

The Loyalty & Engagement Awards, organised by Marketing magazine, honour the best loyalty marketing programmes in Asia Pacific. The award is the first of its kind to recognise marketing efforts in three key areas – loyalty, engagement and relationship marketing, focusing solely on the art of cultivating customer loyalty and engagement.

AWARDS RECEIVED:

- Best Card-Based Loyalty Programme – Silver
- Best Loyalty Programme (Retailer) – Bronze



5 SEPTEMBER 2018

TAN SRI DR JEFFREY CHEAH CONFERRED MIM COURT OF EMERITUS FELLOW

EVENT:

Malaysian Institute of Management ("MIM")
28th Tunku Abdul Rahman Lecture series



AWARD RECEIVED:

- MIM Court of Emeritus Fellow

Sunway Group Founder and Chairman, Tan Sri Dr Jeffrey Cheah was conferred the MIM Court of Emeritus Fellow for his outstanding leadership and management skills in leading Sunway Group to become one of Malaysia's largest and most successful conglomerates.

Tan Sri Dr Jeffrey Cheah joined a distinguished list of business icons as a fellow including Robert Kuok Hock Nien (Council Member of Eminent Persons), Tan Sri Dato' Sri Mohd Hassan Marican (Petronas past President and chief executive officer), YM Tunku Tan Sri Dato' Seri Ahmad Tunku Yahaya (past-Sime Darby Group chief executive officer), Tan Sri Dato' Azman Hashim (AmBank chairman) and YBM Tan Sri Tengku Razaleigh Tengku M Hamzah (Petronas founding chairman and chief executive).

5 SEPTEMBER 2018

SUNWAY SWEEPS 3 OUT OF 12 AWARDS AT AON BEST EMPLOYERS AWARDS 2018

EVENT:

Aon Best Employers Awards 2018

Sunway Group captured the limelight by being the only conglomerate, in more than a decade, to score a hat-trick with three of its subsidiaries, namely Sunway Building Materials Group, Sunway Hotel (Georgetown) Penang and Sunway IT Shared Services Centre, named among Malaysia's top 12 employers.

Sunway strives for excellence in everything it does, from delivering quality products to developing its most important asset, its people with the right skillset to assume leadership roles while putting importance in work-life balance.

Aon Best Employers is a flagship programme, designed to improve employee engagement, leadership effectiveness, employer brand, and culture to drive high performance. It is the most credible and comprehensive survey of its kind in Asia Pacific. The survey leverages on Aon Hewitt's professional 3-tier assessment tools and includes participants from all key industries. Now in its 18th year, the Aon Best Employers programme runs across 10 markets in the region, namely Australia, China, India, Japan, Malaysia, Middle East, New Zealand, Philippines, Singapore and Thailand.

AWARDS RECEIVED:

- Best Employer Malaysia – Sunway Building Materials Group, Sunway Hotel (Georgetown) Penang and Sunway IT Shared Services Centre



AWARDS & ACCOLADES

18 SEPTEMBER 2018

SUNWAY ISKANDAR RECOGNISED AS ONE OF THE JEWELS OF JOHOR

EVENT:

StarProperty.my Awards 2018: Jewels of Johor



AWARDS RECEIVED:

- The Best Comprehensive Township (Above 500 acres) - Excellence
- The Best Corporate Social Responsibility – Excellence
- The Best Quality and Finishing Development – Excellence
- The Best Choice Award

Sunway's Property Development division triumphed at the StarProperty.my Awards 2018: Jewels of Johor. The integrated township of Sunway Iskandar received the Excellence award in the Best Comprehensive Township and Best CSR categories; in addition to being voted by readers as a winner for the Best Choice Award. Sunway Lenang Heights was recognised with the Excellence Award in the Best Quality and Finishing Development category.

The award aims to highlight the key developments in Johor, as well as the developers of south Malaysia who have taken much effort to rise and set the mark with respective developments embodying aspects such as quality, security, value and purposefulness. This southern edition of StarProperty.my Awards 2018 also celebrates the advancement and achievement of the southern region.

12 OCTOBER 2018

SUNWAY'S MALLS RECOGNISED AS ONE OF MALAYSIA'S BEST COMPANIES TO WORK FOR IN ASIA

EVENT:

HR Asia Best Companies to Work for in Asia 2018 Awards

Sunway's malls have been recognised as one of Malaysia's best companies to work for in Asia by Asia's most authoritative publication for senior HR professionals – HR Asia Best Companies to Work for in Asia.

The malls' vision is to create experiences that enrich lives, especially the lives of its stakeholders and employees. Guided by the malls' core values of Integrity, Humility, Excellence and Togetherness, the main retail division of Sunway Group innovatively meets and provides for their employees' needs by creating new and relevant engagement programmes. Sunway currently operates the flagship Sunway Pyramid, Sunway Carnival, Sunway Giza, Sunway Putra and Sunway Velocity.

Sunway is geared to become Malaysia's largest mall operator with 10 malls in the next 5 years, contributing to the economic vitality of surrounding communities.

AWARD RECEIVED:

- HR Asia Best Companies to Work for in Asia 2018



26 OCTOBER 2018

TRIPLE WINS AT THE PUTRA BRAND AWARDS

EVENT:

Putra Brand Awards 2018



AWARDS RECEIVED:

- Gold Award – Property Development Category
- Gold Award – Education & Learning Category
- Bronze Award – Entertainment Category

Sunway achieved consecutive wins and was voted as preferred brands at the Putra Brand Awards 2018 with its Property Development division and Sunway University each winning the Gold Award in the Property Development and Education & Learning categories, respectively. Sunway Lagoon took home the Bronze Award in the Entertainment Category.

The Putra Brand Awards is one of the most prestigious brand recognitions in the country and is considered the closest reflection of consumer brand affinity. Organised by the Association of Accredited Advertising Agents Malaysia (4As), the Putra Brand Awards is endorsed by the Malaysian External Trade Development Corporation (MATRADE), and supported by the Branding Association of Malaysia, Malaysian Advertisers Association, Media Specialists Association and the Malaysian Digital Association. This year, the awards celebrated its largest brand research sample, conducting more than 7,000 interviews through an advanced global online research methodology.

29 OCTOBER 2018

SUNWAY NAMED AMONG THE TOP 10 PROPERTY DEVELOPERS

EVENT:

The Edge Malaysia Property Excellence Awards 2018

Sunway Berhad yet again clinched the Top 10 Property Developers Award (TPDA) at The Edge Property Excellence Awards 2018. Sunway Medical Centre was also awarded the Pioneer Development Award for its efforts in venturing into private healthcare projects.

The Edge Malaysia Property Excellence Awards, one of the country's most definitive real estate awards, recognises Malaysia's top property players based on their quantitative and qualitative attributes. Sunway's continued success in the event attests to its consistency in delivering value and quality.

AWARDS RECEIVED:

- Top 10 Property Developers Award
- Pioneer Development Award – Sunway Medical Centre



AWARDS & ACCOLADES

13 NOVEMBER 2018

SUNWAY WINS BIG AT THE 44TH IFAWPCA CONVENTION

EVENT:

44th International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) Convention 2018



AWARDS RECEIVED:

- Silver – Building Construction Category
- Silver – Civil Engineering Construction Category
- Yeoh Tiong Lay – IFAWPCA Award for Excellence

Sunway Construction Group Berhad ("SunCon") was awarded three coveted awards at the 44th International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) Convention 2018.

The accolades include Silver Medal Awards in the Building Construction Category and Civil Engineering Construction Category for the Kuala Lumpur Convention Center and Bus Rapid Transit (BRT) Sunway Line projects, respectively, both designed and built by SunCon.

Datuk Kwan Foh Kwai, advisor and former Senior Managing Director for SunCon, took home the Yeoh Tiong Lay – IFAWPCA Award for Excellence, which recognises individuals who have contributed substantially towards the growth and development of the construction industry in Malaysia.

The IFAWPCA comprises builders and construction associations from 19 member countries across Asia and the Western Pacific region.

17 NOVEMBER 2018

SUNWAY VELOCITY MALL BAGS FIABCI MALAYSIA PROPERTY AWARD 2018

EVENT:

FIABCI Malaysia Property Award 2018

Sunway Velocity Mall has been named the winner of the FIABCI Malaysia Property Award 2018 in the Retail Category. With this win, Sunway's malls have collectively clinched four FIABCI Malaysia Property Awards – Sunway Velocity Mall in 2018, Sunway Putra Mall in 2017, and Sunway Pyramid in 2000 and 2010, making it the only mall group to achieve this distinction.

Often dubbed the "Oscars" of the property industry, the Malaysia Property Award honours developments every year for excellence in all aspects of their creations. First organised in 1999, the award stands for the highest accolades and standards of professionalism in the property and real estate industry.

AWARD RECEIVED:

- FIABCI Malaysia Property Award 2018 – Retail Category



27 NOVEMBER 2018

SUNWAY RECOGNISED WITH PRESTIGIOUS AWARD BY FROST & SULLIVAN

EVENT:

2018 Frost & Sullivan Asia Pacific Best Practices Awards



AWARD RECEIVED:

- Asia-Pacific Property Development Competitive Strategy Innovation and Leadership Award

Sunway Group's Property Development division was honoured with the Asia-Pacific Property Development Competitive Strategy Innovation and Leadership Award at the annual Frost & Sullivan Asia Pacific Best Practices Awards banquet held in Singapore.

Sunway's expertise in providing world-class, value-added auxiliary services such as medical centres, education facilities, and hospitality and leisure outlets within its townships sets it apart from other regional property developers.

Frost & Sullivan is a business consulting firm involved in market research and analysis, growth strategy consulting, and corporate training across multiple industries. Recipients of the annual Frost & Sullivan Asia Pacific Best Practices Awards were identified based on in-depth research conducted by Frost & Sullivan's analysts.

11 DECEMBER 2018

ANOTHER WIN AT THE EDGE BRC

EVENT:

The Edge Billion Ringgit Club (BRC) 2018

Sunway Berhad bagged the Best CR Initiatives award for companies with a market capitalisation below RM10 billion at the elite The Edge Billion Ringgit Club annual gala dinner and corporate awards event.

A total of 170 companies with at least RM1 billion market capitalisation as of 31 March 2018 were judged on their corporate responsibility efforts on top of financial performance. The evaluation criteria for the CR Initiatives awards were based on the three focal areas spelt out by Bursa Malaysia's Sustainability Reporting Guide for Public Listed Companies, namely economic, social and environmental.

Sustainable development has been an integral part of Sunway's business framework. The Group continues to align its business model, operating strategies and corporate culture with sustainable practices and solutions, as showcased in its commitment to the United Nations Sustainable Development Goals (UNSDGs) agenda.

AWARD RECEIVED:

- Best Corporate Responsibility Initiatives Award (Below RM10 billion Market Capitalisation)



SOMETHING FOR EVERYONE

Sunway's Property Investment and Real Estate Investment Trust division owns and manages one of the largest asset portfolios in Malaysia comprising retail malls, office towers, university campuses, student accommodations, an industrial asset and a medical centre. The division will continue to grow its asset portfolio with a vision of creating more life-enriching experiences for its communities.

PERFORMANCE REVIEW

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CHAIRMAN'S STATEMENT



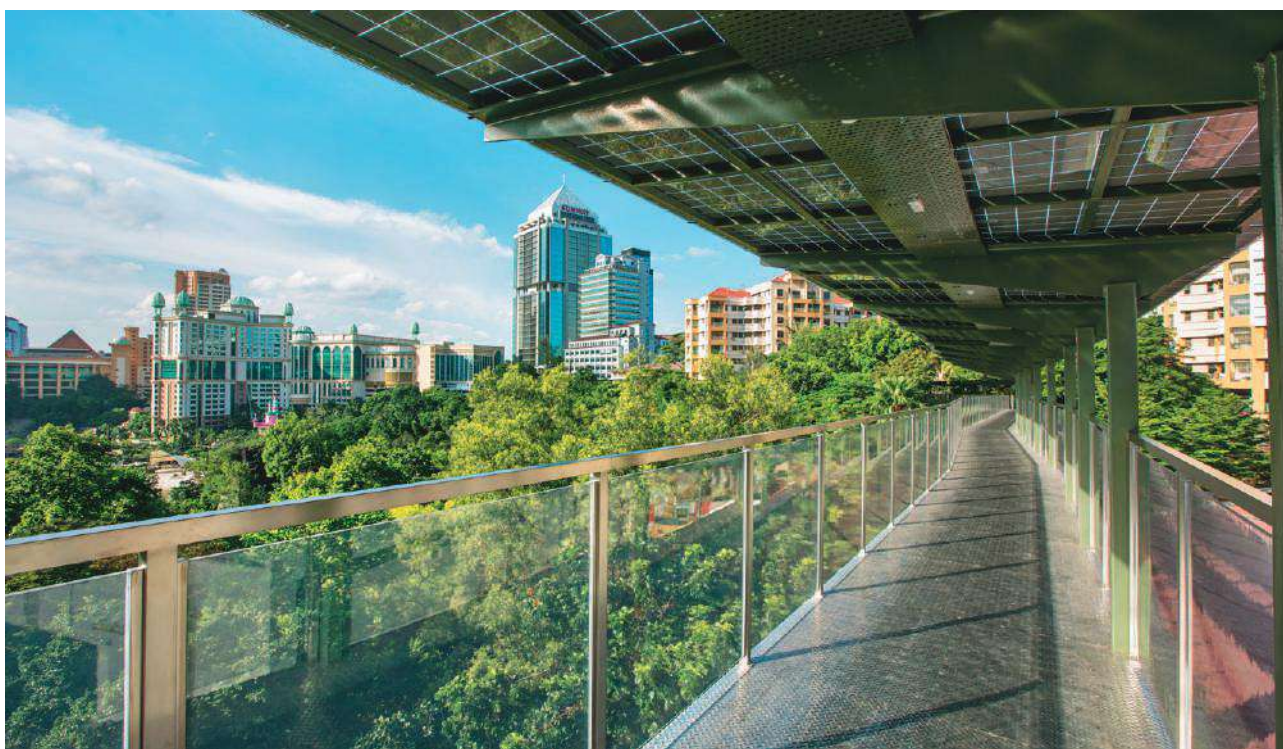
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DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am honoured to present Sunway Berhad's Annual Report for the financial year ended 31 December 2018 ("FY 2018"). I am proud that Sunway has managed to deliver commendable performance despite the challenges and uncertainties of 2018, and maintained our position as one of Malaysia's largest conglomerates. Our performance is a testament to the Group's inherent strength and resilience.

”

**TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING AO**
EXECUTIVE CHAIRMAN



EcoWalk - Completes the Circuit Route around Sunway City

PERFORMANCE REVIEW

The operating performance of our business divisions remained resilient despite a challenging year, contributing to a commendable performance for the Group in FY 2018. We recorded a revenue of RM5.4 billion and profit after tax and minority interest ("PATMI") of RM658.4 million in FY 2018, up from RM5.2 billion and RM627.5 million in the preceding year. This represents an increase in revenue of 3.3% and PATMI of 4.9%. The higher PATMI was recorded despite the first-time adoption of Malaysian Financial Reporting Standard ("MFRS") 15, which affects the timing of revenue and profit recognition for the overseas property development activities of the Group.

With the adoption of MFRS 15, progressive profits of RM103.7 million which could have been recognised in the current year from the Group's Rivercove Residences project in Singapore and Sunway Gardens project in Tianjin, China has to be deferred until the completion of the projects. Excluding the effects of the adoption of MFRS 15 in the current year, the Group's PATMI would have been up by 21.5% from the preceding year.

The Property Development and Construction divisions contributed 33% to the Group's PATMI, whilst contributions from the other divisions, including Property Investment, REIT, Leisure, Hospitality, Trading and Manufacturing, Quarry, Building Materials and Healthcare, increased to 67%. Geographically, 91% of Sunway's PATMI was generated through operations in Malaysia, with Singapore coming in as the second largest contributor.

REWARDING SHAREHOLDERS

On the back of the Group's commendable financial performance, we declared an annual dividend payout of 7.12 sen per share for FY 2018, up from the total dividends for FY 2017 of 6 sen per share. The first interim cash dividend of 3.5 sen per share was paid in October 2018, while the second interim dividend amounting to 3.62 sen per share will be paid in April 2019.

The second interim dividend will come in the form of a cash dividend of 2 sen per share and a share dividend distribution of one treasury share for every 100 existing ordinary shares held. The share dividend distribution is equivalent to 1.62 sen per share, estimated based on the market price of Sunway's share of RM1.62 as at the close of 28 February 2019, being the dividend declaration date.

Further, the exercise price of Sunway's warrants, which were issued as part of the Group's bonus issue exercise in FY 2017, was reduced by 7 sen per share from RM1.86 to RM1.79 pursuant to its step-down pricing mechanism. The exercise price of the warrants will continue to be subjected to fixed annual step-down adjustments on each anniversary date of the first issuance. The step-down pricing mechanism was designed to encourage long-term holding and deter immediate dilution to equity shareholdings arising from the exercise of the warrants.



Please refer to Financial Review in Management Discussion and Analysis and Financial Statements for more information.

CHAIRMAN'S STATEMENT



Sunway University Launches the Master in Sustainable Development Management

PARTNERSHIP FOR SUSTAINABILITY GOALS

At Sunway, we lead by example in doing well by doing good. As a partner for the 17 United Nations Sustainable Development Goals (“UNSDGs”), we share the principles, values, vision and goals of the United Nations to deliver sustainable development objectives. Sustainability is a fundamental tenet in our decision making process as a business, not an afterthought and Sunway has proven that business growth and sustainability are not mutually exclusive agendas. I am honoured to have been appointed as chairman of the United Nations Sustainable Development Solutions Network (“SDSN”) Malaysia chapter. The Jeffrey Sachs Center on Sustainable Development in Sunway University serves as the host of SDSN Malaysia and will continue to advance the achievement of sustainable development goals in Malaysia. To encourage greater interest in sustainable development, Sunway University, through the Jeffrey Sachs Center on Sustainable Development, introduced a Master in Sustainable Development Management.

Looking beyond tangible values, a key aspect of our integrated developments is in providing an ecosystem where communities can live, work, play and learn in a safe, healthy and connected environment. We continue to implement green initiatives within our townships, and we now have our very own rainwater harvesting tanks for water conservation and a water treatment plant in Sunway South Quay to purify lake water and supply potable water to our commercial buildings. We constructed a new EcoWalk fitted with solar panels from Menara Sunway to Sunway Medical Centre, which completes the circuit route around Sunway City. These initiatives are consistent with UNSDG Goal 6: Clean Water and Sanitation and Goal 7: Affordable and Clean Energy.

Sunway City is now a ‘Smart Sustainable City’, balanced with technology and an ecosystem filled with 25,000 planted trees and 150 species of flora and fauna. Sunway City has been wired with fibre optic cables throughout the township to enable easy WiFi connectivity. Plans are in place to replicate this in our other townships. In 2018, we signed a Memorandum of Understanding (MoU) with NEC Asia Pacific Pte Ltd (NEC) in Sunway Iskandar to develop smart city solutions which will also augment safety and security in the township.

The people of Sunway are our most valuable asset, and we are committed to investing in human capital development to nurture our 16,000 strong workforce across different races, religions, ages and gender, consistent with UNSDG Goal 8: Decent Work and Economic Growth. Our efforts have come a long way and in September 2018, we were the only conglomerate, in more than a decade, to have three of our subsidiaries – Sunway’s Building Materials group, Sunway Hotel Georgetown and Sunway IT Shared Services Centre named as Aon Best Employers in Malaysia for 2018. Our passion revolves around people and we seek to impact as many lives as we can, including our stakeholders, communities and the nation.

CHAMPIONING GENDER EQUALITY

As a founding chair of 30% Club Malaysia and a supporter of UNSDG Goal 5: Gender Equality, I am committed to ensuring diversity and inclusion by creating a balanced and equal working environment. The 30% Club is an international initiative striving to achieve gender balance at all levels of an organisation and increase women representation in leadership positions. I am glad to see commendable progress in the percentage of women on the boards of public listed companies in Malaysia.



Jeffrey Cheah Foundation Scholarships & Awards Ceremony

Sunway recognises the importance of gender equality as we believe that ending all forms of discrimination is pivotal to a sustainable world. In 2018, we co-sponsored the 'ReTHINK Leadership' conference organised by LeadWomen in support of challenging the unconscious bias and encouraging inclusivity at all levels.

EMPOWERING FUTURE GENERATIONS

In line with the UNSDG Goal 1: No Poverty and Goal 4: Quality Education, Sunway is committed to ensuring inclusive, equitable and quality education and lifelong learning opportunities for all. Quality education is the foundation to improving people's lives and carries an infinite value by empowering future generations to realise their full potential regardless of race, religion and background. The Jeffrey Cheah Foundation is now Malaysia's largest education-focused social enterprise, valued at RM1 billion and governed by an independent board of trustees. It is a not-for-profit trust, aimed at governing the educational institutions and awarding scholarships and research grants. Through the Jeffrey Cheah Foundation, we have disbursed more than RM400 million to-date in scholarships and grants to deserving recipients. In the spirit of giving and in pursuit of UNSDG Goal 2: Zero Hunger, we packed and distributed a total of 500,000 nutritious dehydrated meals comprising rice, lentils, dehydrated vegetables and a flavouring mix with 23 essential vitamins and minerals, to poverty stricken communities in Malaysia, shelters and orphanages in Cambodia and refugee communities in Timor Leste.

We continue to establish and expand our collaborations with some of the world's most renowned institutions such as University of Cambridge, Harvard University and University of Oxford. Sunway University's partnership with these institutions is a testament to our commitment to excellence in academic standards. These collaborations enable knowledge-sharing between the world's leading academic minds with a vision to develop the skills and expertise of our local and regional talents. In 2018, Sunway University signed a Memorandum of Agreement (MoA) with the University of Cambridge, to allow two exceptional staff per year from Sunway University to study at the renowned university for four weeks, in perpetuity.

Further, to drive excellence in healthcare and achieve UNSDG Goal 3: Good Health and Well-Being, we have forged partnerships with the prestigious universities to elevate the healthcare standards in the country. Sunway Clinical Research Centre operates as the Regional Site Partner of the University of Cambridge School of Clinical Medicine, to integrate healthcare research and clinical trials aimed at prevention, early diagnosis and improved treatments for diseases. Sunway's focus on contributing to the society is further exemplified by the initiatives of our Healthcare division. Sunway Medical Centre launched the first Cambridge-Royal Papworth-Sunway Heart and Lung Symposium in 2018. The collaborative event is the culmination of all our efforts to support the advancement of medicine for the benefit of all.



Please refer to Sustainability Report 2018 for more information.

CHAIRMAN'S STATEMENT



The Edge Malaysia Property Excellence Awards 2018



Global Health and Travel 2018 APAC Healthcare & Medical Tourism Awards



Corporate Responsibility Award at The Edge Billion Ringgit Club 2018



MIM Court of Emeritus Fellow

ACHIEVEMENTS OF EXCELLENCE

In 2018, we garnered major national and international awards in recognition of our collective effort. For the eighth consecutive year, our Property Development division was recognised as one of the Top 10 Developers at the BCI Asia Awards 2018, which rewards excellence and the success of developers and architects in the region. The division also clinched the Top 10 Property Developers Award (TPDA) at The Edge Malaysia's Property Excellence Awards 2018. At the same event, Sunway Medical Centre was awarded the Pioneer Development Award for its efforts in venturing into private healthcare projects. Our continued success in these events attest to our consistency in delivering value and quality.

At the Putra Brand Awards, our developments were voted as preferred brands, with Sunway's Property Development division and Sunway University each winning the Gold Award in the Property Development and Education & Learning categories, respectively. This is a notable improvement from the Silver Awards garnered in the previous year. Sunway Lagoon took home its fourth consecutive Bronze Award in the Entertainment Category.

Over the years, our portfolio of malls have been recognised as some of Malaysia's best malls and this is supported by the awards we have received. It was a proud moment for us when Sunway Velocity Mall won the FIABCI Malaysia Property Award 2018 under the Retail Category.

Recognising our contributions to medical tourism, Sunway Medical Centre was awarded the Medical Tourism Hospital of the Year award at the Global Health and Travel 2018 APAC Healthcare & Medical Tourism Awards. Sunway Medical Centre was declared joint winners alongside the renowned Bumrungrad Hospital in Thailand, with Singapore's Mt Elizabeth Hospital coming in second. We improved on our own performance in 2017 in which we tied with Mt Elizabeth Hospital as runner-ups. Our excellence in various fields of specialisation also secured us the titles of Oncology Service Provider of the Year in Asia Pacific and Neurology Service Provider of the Year in Asia Pacific.

Our sustainability initiatives were recognised by various reputable bodies during the year. Sunway Medical Centre was awarded the Healthcare CSR Company of the Year 2018 at the 14th Frost & Sullivan Malaysia Excellence Awards. In December 2018, Sunway Berhad was the recipient of the Corporate Responsibility Award at The Edge Billion Ringgit Club 2018 gala dinner. Sustainable development has been an integral part of Sunway's business framework, and we continue to align our business model, operating strategies and corporate culture with sustainable practices and solutions.

I am also humbled to have been conferred the Malaysian Institute of Management (MIM) Court of Emeritus Fellow, the highest grade of membership accorded to individuals. This recognition would not have been possible without the efforts of the entire team at Sunway.



Please refer to Awards & Accolades for more information.

LEADING CONGLOMERATE

From our humble beginnings in tin mining and quarrying, Sunway has transformed into one of the leading conglomerates in Malaysia, boasting a portfolio of synergistic businesses. In addition to property development, property investment and construction, Sunway has further integrated its business model to include healthcare, trading and manufacturing, quarry and building materials. These businesses are market leaders in their respective industries, which strengthens the competitiveness of the unique business model of Sunway. In September 2018, Sunway was reclassified from the Trading/Services sector to the Industrial Products and Services sector, pursuant to Bursa Malaysia Securities' revamp of the sectoral classification for companies listed on the Main Market. This is in line with our strategic ambition to continue to grow our non-property related businesses going forward.

Sunway City was transformed from a disused and abandoned mining crater, into Malaysia's first integrated township with a thriving community of over 200,000 people. Sustainable development is embedded in our DNA, and we strive to continue developing townships which integrate healthcare, education, retail, hospitality, leisure, residential, commercial and industrial elements. Our most ambitious venture yet is Sunway Iskandar, in which we aim to replicate our success in Sunway City. The development of Sunway Iskandar will be underpinned by our vision to be Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow.



Please refer to Vision & Mission Statement for more information.

FUTURE GROWTH, OUTLOOK AND PROSPECTS

In 2018, we focused our landbanking efforts internationally. With our partner, Hoi Hup Realty Pte Ltd, we acquired two parcels of land in Singapore, with an estimated total Gross Development Value ("GDV") of over S\$1.5 billion. As at 31 December 2018, Sunway's total landbank stood at 3,283 acres, with a total GDV of RM54.4 billion.

The first parcel, measuring 8.56 acres, is a 999-year leasehold land located in Clementi, Singapore. The site was acquired in February 2018 for a total consideration of S\$530.0 million, with Sunway holding a 30% equity interest in the investment. The site will be redeveloped into a new private residential development with an estimated GDV of S\$1.0 billion. In September 2018, we acquired another 4.46-acre parcel at Canberra Link in Sembawang, Singapore for S\$271.0 million for the development of Executive Condominiums with an estimated GDV of S\$500.0 million. With the aim of expanding our operations overseas, we increased our equity interest in this project from 30% to 35%. This will continue to be the strategic direction moving forward.

We have an exciting line-up of projects to be launched in FY 2019 with a total GDV of RM2.0 billion. The local launches, which constitute half of the total planned GDV, will mainly be residential properties located within Sunway's integrated townships or in close proximity to public transportation. The other half will come from the international market, in which we will be launching the private condominium project in Clementi, Singapore on the land parcel acquired in 2018.

We will continue to grow our non-property related businesses, focusing on expansion and network growth. Our expansion plans for the Healthcare division will see the opening of Sunway Velocity Medical Centre in mid-2019, and Sunway Medical Centre Seberang Jaya by end-2020. Construction of the 180-bed hospital in Seberang Jaya has commenced, and this will be our maiden foray into the Penang healthcare market. Both hospitals are located within our own integrated developments, with a mall and hotel in close proximity. These medical centres mark the beginning of the division's expansion plan to build a network of tertiary hospitals in key catchment areas. Other upcoming hospitals will be in Sunway Damansara, Sunway City Ipoh and Sunway Iskandar.

Our other divisions will also embark on expansion plans in the new year. The Quarry division intends to add more quarry and asphalt plants to its portfolio, either via greenfield developments or via acquisition of existing sites at key locations. The planned expansion will increase the division's market share and support the uptake in demand, with expected improvements to overall performance through economies of scale and enhanced market share. In terms of geographical expansion, the Construction division is eyeing new projects in Myanmar and India to complement its growth objective. The Building Materials division has successfully established its new plant in Kota Kinabalu, Sabah, to penetrate the East Malaysia market and to expand its distribution network. The plant is strategically positioned to leverage on the increase in construction activities in the vicinity.

Sunway will embrace the challenges and uncertainties of 2019 as we push to improve operating synergies, efficiency and effectiveness. Backed by our strong construction outstanding order book of RM5.2 billion and unbilled property sales of RM2.1 billion as at 31 December 2018, and the growth trajectory projected for our other strategic businesses, we are confident that we will continue to perform well in FY 2019.



Please refer to Management Discussion and Analysis for more information.

ACKNOWLEDGEMENT

Our accomplishments were driven by the hard work, loyalty, support and dedication of all our stakeholders. On behalf of the Board, I would like to extend my gratitude to the Group's management, employees, customers, suppliers, business partners, investors, financiers, shareholders and the respective authorities for supporting our growth journey thus far. I would also like to take this opportunity to express my deepest gratitude to Datuk Seri Yam Kong Choy for his invaluable years of contribution on the Board of Sunway.

On that note, I conclude this year's review and we look forward to another year of turning vision into reality.

**TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING AO**
EXECUTIVE CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF SUNWAY BERHAD

Sunway Berhad is one of the leading conglomerates in Malaysia, with a portfolio of synergistic businesses, namely Property Development, Property Investment, REIT, Leisure, Hospitality, Construction, Trading and Manufacturing, Quarry, Building Materials and Healthcare. These businesses are market leaders in their respective industries, which helps to strengthen the competitiveness of the unique business model of the Group. Following Bursa Securities' revamp of the sectoral classification in September 2018, Sunway Berhad was reclassified from the Trading/Services sector to the Industrial Products and Services sector on the Main Board of Bursa Malaysia Securities. This reflects the Group's strength in having diversified businesses and its ambition to grow its non-property related businesses. The performance of the various businesses of the Group is reviewed below.

FINANCIAL REVIEW

The Group recorded revenue of RM5,410.2 million and profit before tax of RM850.0 million in FY 2018 compared to revenue of RM5,239.3 million and profit before tax of RM879.1 million in FY 2017, representing an increase in revenue of 3.3% and decrease in profit before tax of 3.3%. Revenue in the current year was better due to higher contributions from most divisions, except the Property Development division. Profit before tax was lower, however, mainly due to lower profit contribution from the Property Development and Building Materials divisions. Profit contribution from the Property Development division was also impacted by the adoption of MFRS 15 on one of the Group's Singapore and China property development projects. The Group's profit before tax in the current year would have been higher by RM103.7 million (or 8.5% higher as compared to the previous year) if not for the adoption of MFRS 15.

SEGMENTAL REVIEW

PROPERTY DEVELOPMENT

The Property Development division reported revenue of RM619.6 million and profit before tax of RM158.4 million in FY 2018 compared to revenue of RM935.3 million and profit before tax of RM242.0 million in FY 2017, representing a decrease in revenue of 33.8% and profit before tax of 34.5%.

The performance for the current year was lower mainly due to lower sales and progress billings from local development projects, and the completion and handover of fewer projects in 2018. Profit before tax would have been higher by 8.3% compared to the previous year if not for the adoption of MFRS 15 on one of the Group's Singapore and China property development projects, for which the Group can only recognise the development profits upon completion. The progressive development profits of RM103.7 million from these projects, which could have been recognised in the current year under the progressive revenue recognition treatment, has to be deferred accordingly.

PROPERTY INVESTMENT

The Property Investment division reported revenue of RM814.8 million and profit before tax of RM291.2 million in FY 2018 compared to revenue of RM784.2 million and profit before tax of RM255.3 million in FY 2017, representing an increase in revenue of 3.9% and profit before tax of 14.0%.

Revenue was higher in the current year mainly due to additional contribution from new properties such as Sunway Geo Tower and Sunway Geo Avenue in Sunway South Quay, and additional room inventory at The Banjaran Hotsprings Retreat & Spa in Ipoh, as well as higher contribution from the Group's theme park. Profit before tax was higher mainly due to the better performance registered by Sunway Velocity Mall and the Group's theme park as compared to the previous year. It was further boosted by the share of higher fair value gains from revaluation of investment properties and Sunway REIT properties in the current year of RM89.0 million compared to previous year's RM71.7 million. Profit before tax in the previous financial year was also impacted by impairment for the BRT Park N' Ride facilities.

CONSTRUCTION

The Construction division reported revenue of RM1,847.9 million and profit before tax of RM190.3 million in FY 2018 compared to revenue of RM1,627.7 million and profit before tax of RM187.6 million in FY 2017, representing an increase in revenue of 13.5% and profit before tax of 1.4%. Revenue in the current year was higher due to higher progress billings from local construction projects and lower intra-group eliminations. Profit before tax was marginally higher, in line with the higher revenue, but offset by lower profit contribution from the precast division and higher intra-group eliminations.

The division closed the year with an order book replenishment of RM1.6 billion and an outstanding order book of RM5.2 billion.

TRADING & MANUFACTURING

The Trading and Manufacturing division reported revenue of RM1,103.4 million and profit before tax of RM48.3 million in FY 2018 compared to revenue of RM996.5 million and profit before tax of RM48.8 million in FY 2017, representing an increase in revenue of 10.7% and decrease in profit before tax of 1.0%. The revenue in the current year was higher mainly due to higher sales both locally and overseas. Profit before tax was marginally lower, however, mainly due to lower operating margins.

QUARRY

The Quarry division reported revenue of RM223.4 million and profit before tax of RM8.7 million in FY 2018 compared to revenue of RM202.1 million and profit before tax of RM7.0 million in FY 2017, representing an increase in revenue of 10.5% and profit before tax of 24.2%. The financial performance of this division was better mainly due to higher average selling prices of premix and higher sales volume for aggregates during the year.

	Revenue (RM'000)		Profit Before Tax (RM'000)	
	2018	2017 (Restated)	2018	2017 (Restated)
Property Development	619,587	935,250	158,416	242,039
Property Investment (comprises Property Investment, REIT, Leisure and Hospitality)	814,806	784,247	291,175	255,317
Construction	1,847,872	1,627,656	190,286	187,609
Trading & Manufacturing	1,103,353	996,468	48,297	48,794
Quarry	223,355	202,071	8,716	7,019
Building Materials	215,919	222,424	19,595	36,951
Healthcare	459,723	364,612	59,926	56,437
Others	125,550	106,551	73,632	44,974
Total	5,410,165	5,239,279	850,043	879,140

BUILDING MATERIALS

The Building Materials division reported revenue of RM215.9 million and profit before tax of RM19.6 million in FY 2018 compared to revenue of RM222.4 million and profit before tax of RM37.0 million in FY 2017, representing a decrease in revenue of 2.9% and profit before tax of 47.0%. The revenue in FY 2018 was slightly lower due to lower sales volume for pavers and vitrified clay pipes, but mitigated by higher sales volume of spun pile in overseas operation. Profit before tax was lower as a result of lower sales volume and operating margin.

HEALTHCARE

The Healthcare division reported revenue of RM459.7 million and profit before tax of RM59.9 million in FY 2018 compared to revenue of RM364.6 million and profit before tax of RM56.4 million in FY 2017, representing an increase in revenue of 26.1% and profit before tax of 6.2%. The improved performance of the division was mainly driven by higher patient volume and the opening of new wards at Tower C of Sunway Medical Centre in 2018. As at 31 December 2018, the hospital's licensed beds increased from 533 beds to 636 beds.

STATEMENT OF FINANCIAL POSITION

The Group's total borrowings increased from RM7.8 billion in FY 2017 to RM8.9 billion in FY 2018. However, this increase was partially offset by an increase in cash and bank balances and placement in funds from RM4.4 billion in FY 2017 to RM5.1 billion in FY 2018. As a result, net borrowings in FY 2018 was RM3.7 billion, which is slightly higher than the net borrowings in FY 2017 of RM3.4 billion. The additional borrowings during the year was utilised to fund capital expenditure related to the construction of the Group's investment properties and land acquisitions.

Total assets increased from RM19.5 billion in FY 2017 to RM21.0 billion in FY 2018. This was mainly attributable to the increase in cash and bank balances, placement in funds, amounts due from joint ventures, and property, plant and equipment.

Share capital largely remained the same at RM5.4 billion in FY 2018 compared to the previous financial year, with slight increase from the issuances of new shares pursuant to the exercise of employees' share options and warrants during the year.

STATEMENT OF CASH FLOW

OPERATING ACTIVITIES

Net cash generated from operating activities was RM847.1 million in FY 2018 compared to RM793.5 million generated in FY 2017. The amount generated from operating activities in FY 2018 was higher mainly due to lower cash utilised for working capital purposes, higher dividends received from joint ventures and associates, and higher interest received for the year.

INVESTING ACTIVITIES

The Group utilised RM1,413.4 million for investing activities in FY 2018 compared to RM610.2 million in the preceding year. The higher amount utilised in the current year was mainly due to higher advances to joint ventures. This was, however, partially mitigated by the proceeds from disposals of non-current assets held for sale such as Sunway Clio Hotel and deposit received from the proposed disposal of Sunway University.

FINANCING ACTIVITIES

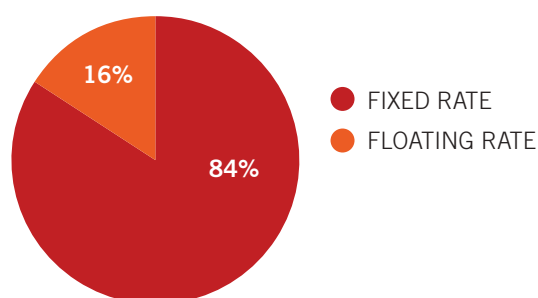
Net cash generated from financing activities increased from RM242.2 million in FY 2017 to RM854.4 million in FY 2018. This was mainly due to higher increase in the overall additional net borrowings and funding from financial institutions and the local bond market, as well as the issuance of perpetual sukuk of RM400.0 million in FY 2018.

Hence, as at 31 December 2018, cash and bank balances and placement in funds of Sunway stood at RM5.1 billion, an increase from the preceding year's balance of RM4.4 billion.

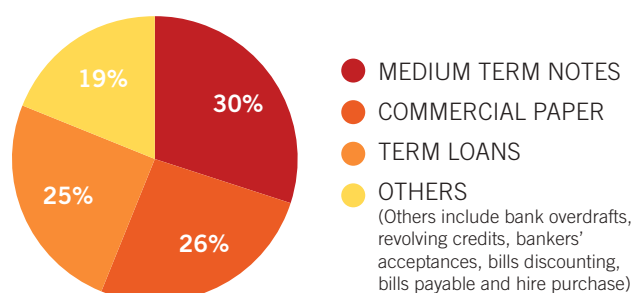
MANAGEMENT DISCUSSION AND ANALYSIS

RM' MILLION	FY2018	FY2017 (Restated)
Gross borrowings	8,873.2	7,779.4
Cash and bank balances, and placement in funds	5,136.0	4,418.6
Net borrowings	3,737.2	3,360.8
Gross gearing ratio (times)	0.98	0.91
Net gearing ratio (times)	0.41	0.39
Shareholders' fund	8,074.4	7,890.7
Net assets per share (sen)*	163.97	160.43

FIXED VS FLOATING RATE BORROWINGS



SOURCES OF BORROWING



DIVIDENDS

For FY 2018, the Group declared an annual dividend payout of 7.12 sen per share to its shareholders. This represents the sum of the first interim cash dividend of 3.5 sen per share paid in October 2018, the second interim cash dividend of 2 sen per share and a share dividend distribution of one treasury share for every 100 existing ordinary shares held equivalent to 1.62 sen per share (estimated based on the market price of Sunway's share of RM1.62 as at the close of 28 February 2019, being the dividend declaration date), which will be distributed in April 2019. This is higher than the dividends paid per share of 6 sen for FY 2017.

Sunway is committed to delivering satisfactory results in 2019, and maintaining its minimum dividend payout policy of 20% of core net profit, which are paid semi-annually to shareholders.

CAPITAL MANAGEMENT

Sunway's capital management strategy involves maintaining a robust balance sheet to support the Group's businesses. In addition, the Group ensures that the sources of borrowings are well diversified and appropriately structured in terms of maturity to mitigate interest rate and liquidity risks.

Sunway implements a centralised treasury operation to proactively monitor and manage the interest rate and foreign exchange risks. When the foreign loans financing terms are favourable, the Group will execute cross currency swap contracts to hedge the foreign exchange risks while taking advantage of the lower effective interest rates when the foreign loans are swapped into local Ringgit borrowing rates. The Group's interest rate exposures are reviewed periodically by ensuring an appropriate mix of fixed and floating rate borrowings are maintained.

During the year, Malaysian Rating Corporation Berhad ("MARC") performed a review on the credit rating of the Group's private debt securities programmes. In recognition of the Group's financial strength, the credit rating assigned by MARC was maintained at MARC-1/AA-, but the ratings outlook was revised from positive to stable in view of the challenging economic conditions.

Although the Group continued to generate healthy cash flow from its business operations, its net borrowings increased marginally to RM3.7 billion in FY 2018. The borrowings were mainly used to finance the construction of investment property assets and new land acquisitions for property development during the year.

RISK MANAGEMENT

Risk Management is part of the integral process which supports the Group's business objectives. The Group continuously reviews the risk management framework and policies to ensure consistency and relevance with the businesses and market environments.

The Risk Management framework includes processes and policies aimed at addressing risks faced by the Group. This framework is consistent with ISO31000:2009 Risk Management – Principles and Guidelines, the Malaysian Code on Corporate Governance 2017 and Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

Key risks for the Group and relevant mitigating action plans, along with more details on the Group's Risk Management framework can be obtained in the Statement of Risk Management and Internal Control on pages 128 to 131 of the Annual Report.



Please refer to Statement of Risk Management and Internal Control for more information.

OPERATIONS REVIEW

The key indicators for each division, tracked over the last five years, are illustrated in the table below:

	2018	2017	2016	2015	2014
PROPERTY DEVELOPMENT					
Launches	RM2.1 bil	RM1.1 bil	RM650 mil	RM1.4 bil	RM1.7 bil
Sales	RM1.9 bil	RM1.2 bil	RM1.2 bil	RM1.2 bil	RM1.7 bil
Unbilled Sales	RM2.1 bil	RM1.0 bil	RM1.5 bil	RM2.1 bil	RM2.5 bil
Landbank	3,283 acres	3,305 acres	3,292 acres	3,295 acres	3,363 acres
PROPERTY INVESTMENT & REIT					
Assets Under Management	RM9.9 bil	RM9.4 bil	RM8.8 bil	RM7.9 bil	RM7.0 bil
Total Net Lettable Area	10.2 mil sqft	10.0 mil sqft	9.3 mil sqft	8.6 mil sqft	8.3 mil sqft
LEISURE					
Total Park Size	128 acres	128 acres	128 acres	100 acres	100 acres
Visitorship	2.4 mil	2.3 mil	2.2 mil	1.8 mil	1.8 mil
HOSPITALITY					
Number of Hotels and Resorts Managed	11	11	10	9	12
Number of Guestrooms	3,386	3,386	3,017	2,601	2,650
CONSTRUCTION					
New Contracts Secured	RM1.6 bil	RM4.0 bil	RM2.7 bil	RM2.6 bil	RM1.1 bil
Outstanding Order Book	RM5.2 bil	RM6.1 bil	RM4.8 bil	RM3.8 bil	RM3.0 bil
TRADING & MANUFACTURING					
Regional Presence	6 countries	6 countries	6 countries	6 countries	6 countries
Distribution Points	41	42	41	41	41
Agency Lines	166	150	154	146	128
Customer Base	13,000	13,000	13,000	13,000	7,000
QUARRY					
Number of Quarries	6	6	8	7	6
Number of Asphalt Plants	13	13	12	9	9
BUILDING MATERIALS					
Number of Manufacturing Facilities	8	7	7	6	5
HEALTHCARE					
Number of Specialist Consultation Suites	180	180	130	130	130
Number of Operating Theatres	12	12	12	12	12
Number of Beds	636	533	373	365	359

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



Artist's Impression of Sunway Velocity TWO

INTRODUCTION

Sunway's Property Development division is one of the top property developers in Malaysia with an established reputation in developing innovative residential, commercial and retail properties. Driven by its vision to be a leading regional property developer, Sunway has expanded its geographical presence to key property markets such as Singapore, China and Australia. The division has successfully delivered close to 30,000 property units to-date in Malaysia and overseas.

The division adopts a unique 'Build, Own, Operate' business model, with which it has successfully built up its portfolio of integrated developments. This approach has proven to be a success with the Group's flagship integrated township, Sunway City. This award-winning township, measuring 800 acres, boasts a total of eight components, namely residential, commercial, leisure, hospitality, retail, education, healthcare and industrial. The division takes ownership and management of some of these components, acting as a 'co-investor' together with the buyers of the Group's properties.

The success of its flagship integrated township and the replicable nature of its business model were fundamental to the development of Sunway City Ipoh, Sunway Damansara, Sunway Velocity, Sunway Penang and Sunway Iskandar, the division's most sizeable venture yet. Some of the unique stand-alone developments, which the Group has successfully delivered in the past, include Kiara Hills, Sunway Palazzo, Sunway Vivaldi, Sunway SPK Damansara, Sunway Montana and Sunway Eastwood, to name a few.

KEY MILESTONES

LAUNCHES AND SALES FOR THE YEAR

In 2018, the Group launched property projects with a total Gross Development Value ("GDV") of RM2.1 billion (2017: RM1.1 billion). This comprised local projects with a total GDV of RM880.0 million in the Klang Valley and Iskandar, Johor, as well as international projects in Singapore and China with a total GDV of RM1.2 billion. From the new launches and other ongoing projects, the Group registered total sales of RM1.9 billion for the year (2017: RM1.2 billion), which was achieved despite the soft property market conditions.



Artist's Impression of Sunway GEOLake Residences at Sunway South Quay

KLANG VALLEY – SUNWAY GEOLAKE RESIDENCES

Sunway GEOLake Residences, a superlative lakeside development strategically located within Sunway South Quay in Sunway City, was the first project to be launched in July 2018. The low density development comprises 420 condominium units with sizes ranging from 883 to 1,776 square feet, on a parcel of land measuring 6.49 acres. The development forms part of the final phase of the GEO series in Sunway South Quay, which will feature another 44 units of townhouses at a later date.

Overlooking the azure 28-acre lake at Sunway South Quay, Sunway GEOLake Residences offers its residents a calm and modern lifestyle, with spacious living spaces, lavish facilities, and disabled-friendly conveniences. The development boasts a host of facilities, including a first-of-its-kind urban farming community garden, a maze running park, recreation fitness centre, children's indoor play area, community pavilion and an infinity pool.

Sunway GEOLake Residences benefits from its close proximity to world-class amenities in Sunway City, such as universities, hotels, a medical centre, shopping mall, theme park and commercial offices. These amenities are easily accessible via elevated canopy walkways and the Bus Rapid Transit ("BRT"). Having the BRT at its door step also facilitates rail connections to the Light Rail Transit ("LRT") and KTM Komuter. GEOLake Residences is easily accessible via five major highways, namely the Damansara-Puchong Expressway (LDP), Federal Highway, New Pantai Expressway (NPE), New Klang Valley Expressway (NKVE) and Shah Alam Expressway (KESAS).

KLANG VALLEY – SUNWAY VELOCITY TWO (TOWER A)

Riding on the resounding success of Sunway Velocity, the division launched the first residential tower of its Sunway Velocity TWO development in October 2018. The 53-storey Tower A consists of 436 units of serviced apartments with sizes ranging from 635 to 1,281 square feet. With an option for 1+1 to 4 bedrooms, each unit has been thoughtfully designed to maximise the functionality and to cater to different lifestyle needs.

Sunway Velocity TWO is located directly next to the fully-integrated development of Sunway Velocity in Cheras, Kuala Lumpur. Via a covered elevated walkway, residents of Sunway Velocity TWO can enjoy direct access to amenities in Sunway Velocity, such as Sunway Velocity Mall, Sunway Velocity Hotel, the 2-acre Central Park, and the upcoming educational institution and medical centre. Within the development itself, residents will have access to modern and comprehensive lifestyle facilities such as an infinity swimming pool, karaoke rooms, panoramic rooftop facilities and a unique tree house.

The development is strategically located just 3.8 kilometres from the Kuala Lumpur city centre, with direct links to three Mass Rapid Transit ("MRT") and two LRT stations. Sunway Velocity TWO is also easily accessible via major highways, such as the NPE, Kuala Lumpur-Seremban Expressway, Maju Expressway (MEX) and Besraya Eastern Extension Highway (BEE).

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



Artist's Impression of Maze Running Park at Sunway GEOLake Residences



Artist's Impression of Sunway Velocity TWO Reflexology Area



Artist's Impression of Sunway Citrine Lakehomes at Sunway Iskandar

JOHOR – SUNWAY CITRINE LAKEHOMES (PHASE 2)

Following the successful launch of the first phase of Sunway Citrine Lakehomes in December 2017, the division launched its second phase of the low-density development in July 2018. The 106 units of townhouses in the second phase range from 1,959 to 2,299 square feet. Sunway Citrine Lakehomes is located next to the 20-acre Emerald Lake Garden, and within walking distance to Sunway Citrine Hub and Sunway International School. Other surrounding amenities include Sunway X-Park, which commenced operations in end-2018, and the upcoming Sunway Big Box Village.

With the completion of the Coastal Highway Southern Link (CHSL), Sunway Citrine Lakehomes and other developments within Sunway Iskandar are able to benefit from the excellent connectivity to Singapore. Coupled with the special Medini incentives such as Real Property Gains Tax (RPGT) exemption and the absence of restrictions on foreign purchase, the development appeals to both local and foreign buyers.

SINGAPORE – RIVERCOVE RESIDENCES

Rivercove Residences is the Group's latest executive condominium development in Singapore via its joint venture with Hoi Hup Realty Pte Ltd. The development along Anchorvale Lane in Sengkang, Singapore was launched in April 2018, with a total of 628 residential units in sizes ranging from 904 to 1,485 square feet. Facilities include a guard house, function room, clubhouse, basement carpark, swimming pool, indoor gym, children's playground and outdoor barbeque dining area.

Residents of Rivercove Residences will be able to enjoy the scenic view of the Punggol Reservoir, while being in close proximity to amenities such as prestigious primary and secondary schools, shopping malls, a hospital and the Sengkang Sports Centre. The development is just a 5 minutes' walk from the Tongkang LRT station and is conveniently connected to major expressways such as the Central Expressway (CTE), Tampines Expressway (TPE), Kallang-Paya Lebar Expressway (KPE) and Seletar Expressway (SLE).

CHINA – SUNWAY GARDENS (PHASE 2)

With the recovery in the China property market, the Group launched the second phase of its Sunway Gardens development in July 2018, comprising 665 residential units. The development features a private clubhouse with facilities such as an indoor swimming pool, golf simulation, gym room, yoga room, badminton courts and reading rooms. It is also within walking distance to reputable schools and public transportation.

Sunway Gardens is a 25-acre development located in Tianjin Eco City. It is developed by Sunway via a joint venture with Sino-Singapore Tianjin Eco-City Investment and Development Co. Ltd, the master developer for Tianjin Eco-City.



Artist's Impression of Rivercove Residences in Singapore

DELIVERED 1,588 UNITS, RM2.1 BILLION UNBILLED SALES

The Property Development division delivered a total of 1,588 residential and commercial units in 2018. 1,095 units were delivered in Malaysia, which include 318 condominium units in Sunway GEO; 411 units of serviced apartments and 56 units of shops and offices in Sunway Velocity; and 222 units of landed properties and 88 units of retail shops in Sunway Iskandar. Another 493 units of condominium units were completed and delivered at the Group's Sophia Hills development in Singapore.

Notwithstanding the completions, the Group recorded RM2.1 billion (2017: RM1.0 billion) of unbilled sales, which will provide earnings visibility and sustainability over the next two years.

LANDBANKING FOR FUTURE GROWTH

Sunway continued its landbanking efforts in 2018 and successfully completed two strategic land acquisitions in Singapore during the year. As at 31 December 2018, the Group's total landbank stood at 3,283 acres with a total GDV of RM54.4 billion.

In February 2018, the division acquired Brookvale Park, a private residential estate with a land area of 8.56 acres for S\$530.0 million, via a 30% joint venture with Hoi Hup Realty Pte Ltd and S C Wong Pte Ltd. Plans are in place to redevelop the land into a new private residential development. Located in Clementi, Singapore, the 999-year leasehold land is easily accessible via major roads and expressways such as the Bukit Timah Road, Clementi Road, Pan Island Expressway and Ayer Rajah Expressway. It is only a short distance away from Holland Village, Bukit Timah Nature Reserve and prestigious tertiary educational institutions, such as Ngee Ann Polytechnic, Singapore Polytechnic, National University of Singapore and Singapore University of Social Sciences.

This was followed by a successful land tender in September 2018 for a 4.46-acre executive condominium site at Canberra Link, Sembawang. The winning bid of S\$271.0 million was submitted by a 35%:65% joint venture between Sunway and Hoi Hup Realty Pte Ltd. The executive condominium development will be surrounded by upcoming amenities such as an MRT station, Canberra Plaza, sports hub and educational institutions.

CHALLENGES

The downturn in the property market persisted in 2018, with the volume of transactions in the primary and secondary markets extending its downtrend. Unsold units, meanwhile, experienced a year-on-year increase. Other factors such as high household debt, stringent lending policies by banks and a weak local currency continued to pose challenges to the property market, as buyers exercised greater caution and adopted a wait-and-see approach for high value transactions such as property purchases. The slowdown was also evident as Malaysia recorded a drop in Gross Domestic Product (GDP) growth in 2018.

Changes in government policies during the year created short term uncertainties and further dampened the property market. Competition from affordable housing is expected to increase in the near term as the government strives to support first-time homebuyers and lower-income families. The current rising interest rates environment further increases the cost of acquiring properties, causing demand to weaken and buyer defaults to rise.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT



Artist's Impression of Sunway City Ipoh

STRATEGIES

The division, being mindful of the headwinds that surround the local property market, continued to exercise prudence in its product planning and project launches to ensure market relevance and strong take ups. Through its 'Under The SUN Certainty+' financing campaign, which commenced in 2018, Sunway continued to provide assistance to its homebuyers by offering options of a Guaranteed Loan, Low Down Payment, Differential Sum Instalment and Voluntary Exit Plan. This initiative was designed to provide financial flexibility and assurance to assist qualified purchasers own a property during uncertain times, aligned with the Group's commitment to grow and invest in its communities.

To expand the division's presence internationally, the division focused on prime landbank acquisitions in Singapore during the year and increased its equity interest in its Singapore property development projects from 30% to 35%. To further diversify its portfolio, the division has also established a team to identify and analyse new markets overseas.

PROSPECTS

In 2019, the division has an exciting line-up of projects to be launched with a total GDV of RM2.0 billion. The local launches, with a GDV of RM1.0 billion, will mainly be residential properties located within Sunway's integrated townships or in close proximity to public transportation.

In the Klang Valley, the division plans to ride on the momentum generated by the good take up rates achieved for its Sunway Velocity TWO and Sunway GEO projects, and will focus on launching the next phase of the respective developments.

Tower B of Sunway Velocity TWO and Sunway GEOLake Townhouses in Sunway South Quay are targeted to be launched in the first half of 2019, and are expected to continue to garner strong interest from property buyers given their strategic locations and close proximity to numerous amenities and public transportation.

Other projects in the Klang Valley include the first phase of Sunway Avila in Wangsa Maju, which will be a mixed development comprising serviced apartments and some lifestyle units. Also targeted to be launched in the first half of 2019 is Sunway Onsen Suites, the division's first high-rise residential development in Sunway City Ipoh and the first serviced suites development to feature a hotsprings pool (or onsen).

The third phase of Sunway Citrine Lakehomes in Sunway Iskandar, comprising townhouses, and the second phase of Sunway Lenang Heights in Johor Bahru, a low-density residential development featuring elegant semi-detached homes, are targeted for the second half of the year. Overseas, Sunway will be launching its private condominium project in Clementi, Singapore with an effective GDV of RM1.0 billion.

Bolstered by the Group's strong balance sheet, the division will continue to concentrate on expanding its landbank, especially land in the central region with great connectivity and accessibility, and in the overseas market which will allow for more immediate launch. As part of its international expansion strategy, the division will be looking for local joint venture partners to penetrate new markets.

PROPERTY INVESTMENT & REIT



Sunway Pyramid's Newly-renovated Main Entrance

INTRODUCTION

Under the 'Build, Own, Operate' business model, Sunway's Property Investment and Real Estate Investment Trust ("REIT") division owns an extensive portfolio of properties, primarily located within the Group's integrated townships. These developments are held either directly through subsidiaries of the Group or Sunway REIT, a 40.9%-owned associate. As at 31 December 2018, the division recorded approximately RM9.9 billion worth of Assets under Management (AUM) with a total net lettable area ("NLA") of close to 10.2 million square feet. These assets generate stable, recurring rental income for the Group.

RETAIL

The division owns and manages a total of eight retail establishments that are strategically located in the Group's integrated townships or mixed developments, summing up to an NLA of approximately 4.2 million square feet. The portfolio consists of Sunway's flagship mall – Sunway Pyramid Mall ("Sunway Pyramid") in Sunway City, Sunway Velocity Mall, Sunway Putra Mall, Sunway Giza Mall, Sunway Carnival Mall, SunCity Hypermarket in Sunway City Ipoh, and two new retail podiums, Sunway GEO Avenue and Sunway Citrine Hub.

COMMERCIAL

The division's commercial segment holds a diversified portfolio encompassing office towers, university campuses, student accommodations, an industrial asset and a medical centre, with a total NLA of approximately 6.0 million square feet.

The Group owns and/or operates six prime office towers in the Klang Valley which are Menara Sunway, Sunway Pinnacle and Sunway GEO Tower in Sunway City; Sunway Tower and Sunway Putra Tower in the heart of Kuala Lumpur; and Wisma Sunway in Shah Alam. The division also owns Sunway Medical Centre and Sunway REIT Industrial - Shah Alam 1. Two premier university campuses, Sunway University and Monash University Malaysia, along with their respective student accommodations, round up the division's portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY INVESTMENT & REIT

KEY MILESTONES

REFRESHED LIFESTYLE EXPERIENCE

Sunway Pyramid, the Group's flagship retail mall in Sunway City, continued to enhance its tenancy mix by introducing several new notable brands and franchises in 2018 to maintain its leading position as a unique lifestyle mall. The mall added, amongst others, Din Tai Fung, Jinja Chicken, Mr Dakgalbi and Flamingo Bloom in the food and beverage ("F&B") segment, and Love Bonito and This Is April in the fashion segment. The beauty and skincare segment saw the opening of several standalone boutique stores for renowned brands such as Yves Saint Laurent, Shiseido, Clarins, Emporio, NYX and Celmonze, adding to the diverse appeal of the mall.

To elevate accessibility and comfort, the main entrance of the mall was transformed to feature a level ground for improved wheelchair and stroller accessibility. After 20 years, the mall's iconic ice rink was upgraded with a cool new look, featuring refurbished walls, new flooring and specially designed pillars. Sunway Pyramid's carpark was also refreshed with epoxy flooring and new Preferred Parking areas were added on two floors. For those getting around via ride-hailing services, the mall boasts Asia's first Grab lounge located just opposite the entrance.

Sunway Pyramid ramped up the overall mall experience another notch by introducing its Oasis Garden and Paradise Garden. The Oasis Garden features Malaysia's first sensory escalator deck, with sounds from different species of animals, lush greenery and water features all around. Specially designed with nature and relaxation in mind, the Paradise Garden overlooks Sunway Lagoon, and is adorned with fresh flowers and greenery along the pathway.

Sunway Velocity Mall continued to grow from strength to strength since it first opened its doors in December 2016. With approximately 900,000 square feet of retail space, the mall maintained a high occupancy rate of 98% as at 31 December 2018 despite the oversupply of malls. The mall welcomed several well-known brands and franchises during the year, such as Under Armour, HLA Jeans, Typo, Gymboree, McDonalds, O'Briens, 4Fingers and KOI Thé. Foot traffic to the mall continued to be strong, recording an average of 1.5 million visitations monthly, owing to the unique experience of integrated shopping, entertainment and dining in one location, and the easy accessibility via public transport and major highways. The mall is located just a short distance from two Mass Rapid Transit ("MRT") stations - Cochrane and Maluri MRT stations, with dedicated covered walkways to both stations.

PORTFOLIO EXPANSION

Sunway continued to build on its portfolio of property investment assets with the opening of new retail space and construction of new properties. In January 2018, the first commercial element in Sunway Iskandar, Sunway Citrine Hub, opened its doors to the public.

Comprising approximately 71,000 square feet of NLA, the retail space recorded a sign-up occupancy rate of 97% as at 31 December 2018, with Jaya Grocer as the anchor tenant along with other notable brands such as Starbucks Coffee, Morganfield's, Mr. D.I.Y and Old Town White Coffee.

The ground-breaking ceremony for the construction of a new wing at Sunway Carnival Mall in Seberang Jaya, Penang was held in March 2018. The expansion of the mall will feature nine storeys of retail space and seven levels of car park, which will increase the mall's total NLA to approximately 830,000 square feet by 2020. The division also commenced the construction of Sunway Big Box Village in Sunway Iskandar, which will be the first of its kind retail park in Malaysia featuring big warehouse concept stores in an open-air strip mall environment.

In December 2018, the disposal of properties in Sunway City comprising academic blocks, a basement carpark, walk-up hostel apartments and sports facilities to Sunway REIT was announced. Upon completion of the disposal, Sunway REIT's portfolio would comprise approximately 1.88 million square feet of additional NLA. The acquisition marks Sunway REIT's maiden foray into the education segment, further diversifying its portfolio and income stream.

ASSET ENHANCEMENT INITIATIVES

Continuous asset enhancement initiatives (AEI) are carried out to refresh and enhance the value of its investment properties. As part of this value creation effort, Sunway Pinnacle in Sunway City embarked on a renovation exercise on the Ground Floor and Levels 14 and 15 of the office tower to create approximately 26,000 square feet of additional NLA. A multinational company has been secured as the tenant for the additional office space, commencing in early 2019.

Further, in line with the Group's efforts towards sustainability and enhanced connectivity, a 350-metre elevated covered walkway was constructed to connect Menara Sunway to Sunway Medical Centre. Termed the 'EcoWalk', this walkway uniquely features solar panels and power saving LED lights which keeps it illuminated at night. It is integrated with the existing canopy walkways in the township and forms part of the overall infrastructure connectivity in Sunway City.

CHALLENGES

Competition in the retail sector remained intense with the continuous new supply of retail malls. The disequilibrium between demand and supply, and the additional retail space continued to pile pressure on rental reversion rates and occupancy. Consumers continued to make expenditure adjustments, being stretched by high household debts and steeper living costs incited by the weaker Ringgit as well as global and domestic uncertainties. Further, the acceleration of e-commerce offers alternative retail channels for consumers, challenging the market share and sales performance of brick-and-mortar businesses.



Artist's Impression of Sunway Carnival Mall

The challenging office market environment persisted with occupancy and rental rates across the Klang Valley continuing to face challenges. This, however, creates opportunities for players in the market which have a portfolio of newer office buildings offering Multimedia Super Corridor (“MSC”) and Green Certifications, strategically located in either decentralised locations or transit-oriented developments. This is in line with tenants’ preference for these office spaces.

STRATEGIES

Sunway has modelled itself as a lifestyle mall operator, making its retail destinations a part of consumers’ lifestyle and a social gathering spot. The reinvention and unique positioning of Sunway’s retail malls as lifestyle destinations with a broad range of retail, F&B and entertainment offerings serve as a differentiating factor against competition arising from the aggressive expansion of retail space in the domestic market. The division constantly strives to maintain its relevance in an ever-changing landscape, ensuring that the existing tenant mix is relevant to the latest retail trends.

To adapt to the emergence of e-commerce, many traditional brick-and-mortar retail shops are now offering consumers an omni-channel shopping experience. The division has been actively working with delivery companies, automated parcel locker suppliers and e-hailing service providers to improve the convenience for customers.

Promotional activities such as hot redemptions, product launch events and contests, as well as attractive marketing campaigns are paramount to draw footfall to the mall. Creative ambient displays, user friendly amenities and Sunway Pals, a loyalty card programme, all seek to encourage spending while maintaining a high engagement level for shoppers. The division has also established sustainable business relationships through active engagements with the tenants.

In the office segment, the division’s portfolio of offices is strategically located within the Group’s integrated townships or in good locations throughout the Klang Valley. Many of the division’s office towers also carry the MSC or Green Certification, which have become increasingly popular with multinational companies. Further, to attract quality tenants and in view of the challenging office segment, competitive rental rates and incentives are sometimes offered.

PROSPECTS

Sunway remains actively engaged in asset expansion and enhancement programmes to ensure the growth sustainability of the Property Investment and REIT division. Ongoing pipeline projects include the Sunway Carnival Mall expansion and Sunway Big Box Village.

With the expansion of Sunway Carnival Mall, a host of international retailers will be introduced to enhance the tenant mix and transform the retail scene in Penang. Upon completion, the existing wing of the mall will undergo a renovation exercise to rejuvenate and realign the mall’s overall concept.

Sunway Big Box Village is set to be the next catalyst in Sunway Iskandar, offering a new retail and leisure experience. With a distinct concept of large format stores, coupled with an X-park and hotel, Sunway Big Box Village promotes experiential shopping, entertainment, relaxation and fun for both shoppers and visitors. The development will feature various retailers in home products, fashion, wholesale retail and F&B operators. Plans are also in place to develop commercial office space in Sunway Big Box Village, targeting multinational and local companies looking to relocate or establish new corporate offices.

Along with other future malls in the pipeline located in Paya Terubong, Penang and Tambun, Ipoh, Sunway is set to become one of Malaysia’s largest mall owner and operator.

MANAGEMENT DISCUSSION AND ANALYSIS

LEISURE

*Sunway Lagoon Theme Park***INTRODUCTION**

Sunway's Leisure division offers thrilling adventures to international and local visitors through its two signature theme parks – Sunway Lagoon in Sunway City and Lost World Of Tambun in Sunway City Ipoh, Perak.

Sunway Lagoon offers more than 90 attractions across its six signature parks, namely the Water Park, Amusement Park, Wildlife Park, Extreme Park, Scream Park and the latest addition, Nickelodeon Lost Lagoon. Since its inception in 1992, Sunway Lagoon has attracted numerous visitors and has received multiple accolades, including the widely acclaimed title of 'Asia's Best Attraction' awarded by the International Association of Amusement Parks and Attractions (IAAPA) for four consecutive years. With the aim of becoming the leading multi-theme park destination, Sunway Lagoon boasts a series of firsts in entertainment that caters to visitors of all ages such as the World's Largest Water Ride – Vuvuzela, World's First Waterplexx 5D, World's Largest Man-Made Surf Beach, Malaysia's First Interactive Zoo and Malaysia's First Surf Simulator – FlowRider.

In Ipoh, the Group's second theme park, Lost World Of Tambun, offers a unique park setting within an enclave surrounded by lush greenery and 260 million-year old limestone hills. Visitors can enjoy attractions across its nine parks, namely the Water Park, Amusement Park, Lost World Hot Springs Night Park, Tiger Valley, Lost World Petting Zoo, Tin Valley, Adventure Park, Lost World Hippo Kingdom and Luminous Forest, while relishing the natural beauty of its surroundings. With natural hot springs and an array of attractions and rides, Lost World Of Tambun offers both day and night entertainment for all ages. Besides offering fun, wholesome and educational experiences for families, the park is also the perfect venue for business entities and MICE groups to conduct team building activities or meetings at its themed locations.



Mother Sophea of Luminous Forest



Newborn Zebra, Zuzu at Lost World Petting Zoo



Guns N' Roses Concert



Nights of Fright 6

KEY MILESTONES

NEW ATTRACTIONS

Living up to its reputation as the ultimate day and night destination, Lost World Of Tambun kept the action and adventure going after dark with its new 'Luminous Forest', featuring an enchanted landmark transformed into an extraordinary luminous landscape where trees come to life and creatures of the night come out to play in the soft glow of the night.

Guests begin the mystifying journey into Luminous Forest by stepping onto the Bridge of Luminosa, that floats on the Swan Lake, which transports one from the normal realm into the magical forest. Guests will discover Mother Sophea, a 400-year old willow-like tree that has a magical connection with all living creatures. Following the trail through Lost World Of Tambun's natural terrains will lead guests to discover other magical wonders including Shadowfang, a 16-feet long centipede and protector of the forest; Garden Of Light, a bioluminescent forest; and Toadstool Field, which is filled with glowing mushrooms.

Adding to the family of animals at the Lost World Petting Zoo, a male zebra named Zuzu was born to first-time parents Zoey and Zack, which travelled from Africa to Lost World Of Tambun in 2016. Sunway's in-house veterinarians monitored the mother zebra throughout her 13-month pregnancy. The Lost World Petting Zoo offers visitors an immersive educational experience and a close encounter with the animals.

VENUE OF CHOICE

Sunway Lagoon's iconic Surf Beach, one of the world's largest man-made surf beaches, continued to be a preferred venue of choice for international events and concerts. In November 2018, Sunway Lagoon hosted the legendary American hard rock band, Guns N' Roses, for their long awaited concert in Malaysia titled 'Not In This Lifetime'. The concert featured the original trio of vocalist Axl Rose, lead guitarist Slash and bassist Duff McKagan, entertaining a crowd of nearly 30,000 fans with the band's greatest hits.

Sunway Lagoon was also the official venue partner for the JBL Concert Run, a non-competitive off-road trail with obstacles, for both fitness and music lovers. The event was the first fun run of its kind in Malaysia, where runners challenged themselves to a heart-pumping 5km obstacles run within the theme park, enjoyed the music and ended the night with a concert by an amazing line-up of local and foreign artists.

Counting down to the new year of 2019, Sunway Lagoon hosted the Glowtopia Festival, the largest glow-in-the-dark festival in Malaysia. Visitors experienced for the very first time U.S.A's Blacklight Slide, the largest inflatable glow in the dark water slide in Asia, along with a myriad of activities including the Glow Battle Zone and DJ live performances. At midnight, visitors had the best view of the much-anticipated panoramic display of fireworks in Sunway City, illuminating the night sky to the beat of synchronised music in the background.

MANAGEMENT DISCUSSION AND ANALYSIS

LEISURE

FUN-FILLED ACTIVITIES ALL YEAR ROUND

Building on last year's success, Sunway Lagoon organised the second instalment of its AQUA Run, a water-themed fun run featuring 12 fun zones spanning 3.5 kilometres. The fun run was aimed at getting the public outdoors and spending time with family and friends.

The division celebrated the Raya festive season with guests at Sunway Lagoon and Lost World Of Tambun with the Kool Raya Campaign and Summer Raya Campaign. Both campaigns shared the same intention of getting families and friends together during the Raya celebrations, with special appearances by Nickelodeon characters, Raya Bazaar filled with raya delicacies and raya packets giveaway.

In conjunction with Malaysia's National Day, Sunway Lagoon launched the 'Proud To Be Malaysian' campaign, featuring exciting activities such as cultural dance performances, Silat workshops, the flag hoisting ceremony and traditional games such as Congkak, Sepak Raga and Batu Seremban.

Sunway Lagoon's annual Nights of Fright returned for the sixth consecutive year during the Halloween season. In order to cater to the largest crowd yet, the event was expanded from just five selected nights in the run up to Halloween to five full weekends of scares and screams. Nights of Fright 6 (NOF6) featured seven haunted houses, one haunted theatre, four scare zones, and three live show stages. Other than the scare attractions, 11 of the park's amusement rides were also opened to visitors.

To end the year, Sunway Lagoon organised 'It's Wipeout', another fun campaign featuring an obstacle run inspired by the Wipeout challenge held in Australia. Participants were challenged to overcome inflatable obstacles without falling into the water.

At Lost World Of Tambun, the year concluded with a celebration to mark the 40th anniversary of Garfield & Friends. The theme park welcomed the iconic cartoon characters to a Garfield-themed party during the year-end school holidays. The event featured fun-filled activities such as meet and greet sessions, performances, game stations and a dance fiesta.

CHALLENGES

One of the main challenges of an outdoor theme park is its dependency on external factors such as good weather to register high visits. Frequent and inconsistent rainfall and the annual haze continue to be major deterrents for the public to engage in outdoor activities and can negatively impact the leisure business.

For Lost World Of Tambun in Ipoh, the theme park is approximately 200 kilometres away from the major city of Kuala Lumpur. The attractiveness and popularity of Ipoh as a tourist destination in Malaysia indirectly impacts the number of visitors to the theme park.

With more new theme parks and resort destinations coming into the market, competition within the local leisure industry is intensifying. Consequently, theme park operators need to continuously develop and introduce new attractions to meet the increasing expectations of customers and to stand out from the competition.

STRATEGIES

The division capitalises on the integrated townships of Sunway City and Sunway City Ipoh to attract visitors to Sunway's theme parks. Lost World Of Tambun also has the added advantage of its unique park setting within the natural surroundings of hot springs and limestone hills to differentiate itself from its competitors.

Sunway Lagoon continued to leverage on its loyalty schemes such as the 'Passport to The Best Day Ever' annual pass to attract repeat visitors. Holders of the pass are entitled to unlimited entries to the theme park for a year from the date of purchase, together with extra perks such as priority entry during peak periods and a host of other discounts and privileges. At Lost World Of Tambun, similar loyalty schemes include the 'Lost World Explorer Pass', a six-month or annual pass to the theme park, and the 'Lost World Hot Springs & Night Park Annual Pass'.

The 'Best Day Ever: One Park Six Experiences' is another successful promotional campaign that offers value-for-money entry tickets to visitors. Complementing these are well received promotions such as 'Birthday Special', 'Seniors Play for Free', 'Quacktastic Tuesday', 'Terrific Thursday', '2 Day Fun Pass', 'Wonder Package' and school holiday deals such as 'FAMfun' and '4-To-Go'. Through 'Family Fun' packages, visitors can also enjoy special rates for stays at either one of the three hotels in Sunway City, namely Sunway Resort Hotel & Spa, Sunway Pyramid Hotel and Sunway Clio Hotel.

PROSPECTS

In the coming year, a new water attraction is in the pipeline at Lost World Of Tambun, with construction currently underway.

Lost World Glamping, which was introduced in 2017, was well received by visitors. In 2019, the division will be looking at enhancing the facilities at the glamping sites and introducing different experiences such as floating villas, with the aim of offering guests an exceptional experience without compromising on comfort. Guests can stay the night in their own luxury cabin, complete with hotel amenities such as air conditioner, water heater, bed linen and power sockets.

The division will also actively pursue greater market penetration into regional and international markets via its strategic digital marketing initiatives and collaboration with Tourism Malaysia, as well as extensive publicity and promotion via airline companies.

HOSPITALITY



Newly-renovated Grand Lagoon Ballroom at Sunway Resort Hotel & Spa

INTRODUCTION

Sunway's Hospitality division operates 11 hotels and resorts with a collection of 3,386 guestrooms, suites and villas in key cities in Malaysia, Cambodia and Vietnam. The division's diverse portfolio of hospitality assets, coupled with its meeting and exhibition facilities, and small to large scale convention centre, serves the needs of both business and leisure travellers.

The flagship hotel, Sunway Resort Hotel & Spa, is a 5-star 468-room hotel located in the iconic 800-acre integrated township of Sunway City. The 5-star hotel commands unimpeded views of Sunway City and the Sunway Lagoon theme park, and offers a wide selection of guestrooms, suites and villas, making it one of the most sought after hotels in the Klang Valley. Sunway Resort Hotel & Spa is complemented by two other hotels in Sunway City, namely the 564-room Sunway Pyramid Hotel and the 401-room Sunway Clio Hotel. Dedicated exhibition and convention facilities in Sunway Pyramid Convention Centre further reinforces the service offerings in Sunway City.

The Group's presence in Kuala Lumpur city centre is anchored by the 650-room 5-star Sunway Putra Hotel, located strategically within the integrated mixed development of Sunway Putra and linked directly to the Putra World Trade Centre (PWTC). A new addition to the division's portfolio in Kuala Lumpur since 2017 is the 351-room Sunway Velocity Hotel in Cheras.

Other hotels and resorts in the division's portfolio include multi-award winning The Banjaran Hotsprings Retreat and Sunway Lost World Hotel in Sunway City Ipoh, and Sunway Hotel Georgetown and Sunway Hotel Seberang Jaya in Penang. The Banjaran Hotsprings Retreat is the Group's foray into the luxury hospitality segment, offering a distinct eco-luxury hotsprings experience for those seeking a sublime escape from the ordinary. The 5-star retreat features 45 luxurious villas, a spa and wellness centre, and a myriad of wellness facilities, all within the idyllic surroundings of 260 million-year-old limestone hills.

In the international market, Sunway owns and manages Sunway Hotel Phnom Penh in Cambodia and Sunway Hotel Hanoi in Vietnam, serving the Indochina region.

MANAGEMENT DISCUSSION AND ANALYSIS

HOSPITALITY

KEY MILESTONES

ON A GRANDER SCALE

Sunway's Hospitality division constantly embarks on new initiatives to maintain Sunway's brand as a premier hospitality services provider. In 2018, the division undertook an upgrading exercise at several of its properties to enhance guests' experience and maintain the division's competitiveness and relevance.

In Sunway Resort Hotel & Spa, the Grand Ballroom, meeting and function rooms spread across three levels and pre-function areas were closed for a 4-month renovation exercise from July 2018. The newly renovated event spaces resumed operations in November 2018 with a new look, enhanced facilities and technology upgrades, such as five large high definition LED screens in the Grand Ballroom, and a built-in LED screen or 86-inch interactive TV in all meeting and function spaces. These upgrades offer guests an enhanced experience while also allowing the division to cater to more large events such as weddings, international conferences and exhibitions, corporate meetings and dinners. Following the renovation, Sunway Resort Hotel & Spa's Grand Ballroom was the venue of choice for major events such as The Economist Sustainability Summit Asia 2018 and Miss Tourism International 2018 World Final.

At The Banjaran Hotsprings Retreat, with the launch of 20 new Lake Villas in December 2017, the retreat expanded its Pomelo restaurant, introducing a brand new air-conditioned dining area to accommodate additional seating capacity.

BRAND NEW EXPERIENCES

Aside from the upgrades and renovations, the division introduced new services and offerings at its hotels to further elevate the overall experience. At Sunway Velocity Hotel, 'Kaffeinate' which is an all-day express cafe began operations in January 2018, offering scrumptious repertoires of light snacks and refreshments for guests looking for a quick meal or mouth-watering delights between meals. Sunway Velocity Hotel also introduced shuttle services for its guests to key attractions within the vicinity of Cheras.

Similarly, in Penang, Sunway Hotel Georgetown introduced complimentary shuttle services to tourist attractions around George Town. The well-received shuttle service departs three times daily from the hotel to popular sites such as Chowrasta Market, KOMTAR, Armenian Street, Fort Cornwallis, Sleeping Buddha and Gurney Drive.

The Banjaran Hotsprings Retreat implemented a new Whiskey Trolley at Jeff's Cellar, providing guests after-dinner drinks options. The retreat also introduced REN Clean Skincare, a British premium beauty brand, in all its 45 villas. This partnership is a symbiotic collaboration as REN's sustainable practices resonate with Sunway's core values, and the clean skincare products complement the natural environment of The Banjaran Hotsprings Retreat.

AWARD-WINNING HOTELS

This year, Sunway Resort Hotel & Spa was presented with the Agoda 2018 Gold Circle Awards. The Gold Circle Awards recognises elite service, high scoring peer-to-peer customer reviews from the 22 million reviews on Agoda, and excellence in pricing and availability. Travelers who book properties with the Gold Circle Awards icon can be assured of exceptional service, quality and value. Meanwhile, Sunway Putra Hotel received the ASEAN MICE Venue Standard 2018-2020 Award in recognition of its remarkable product offerings for Meetings, Incentives, Conventions and Exhibitions.

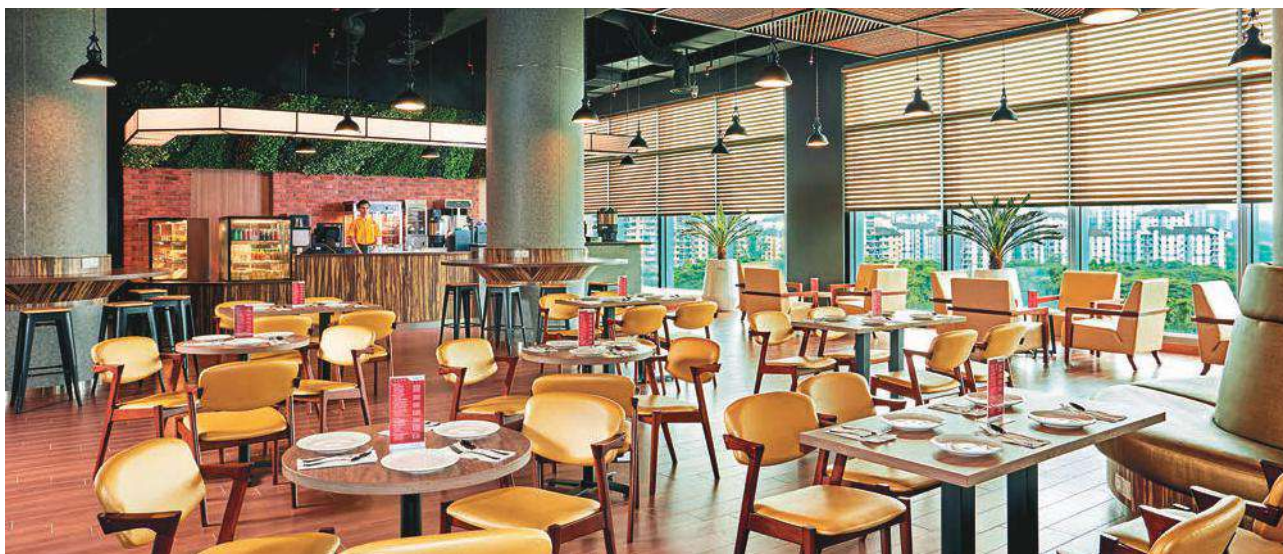
For the sixth consecutive year, The Banjaran Hotsprings Retreat was awarded TripAdvisor's Travellers' Choice Awards 2018 in four worthy categories for Malaysia, namely Top 25 Hotels, Top 25 Hotels for Romance, Top 25 Luxury Hotels and Top 25 Hotels for Service. As a result of its exceptional hospitality services, The Banjaran Hotsprings Retreat also bagged Booking.com's Guest Review Award 2017 with a rating of 9.3 out of 10. The eco-luxury retreat continued to be a favourite, being featured in Elle magazine as one of the 15 most exotic destination retreats, and in Richest Magazine as one of the 25 most luxurious spas in the world. Jeff's Cellar, a wine bar and fine-dining restaurant at the retreat, was named one of the Top 5 most magnificent bars in the world by CNN Greece.

In Penang, Sunway Hotel Georgetown was awarded Ctrip's Best Business Hotel 2018 and Aon Hewitt's Best Employers Award 2018, while Sunway Hotel Seberang Jaya was re-recognised as a 4-star hospitality provider in September 2018 by the Ministry of Tourism, Arts and Culture.

CHALLENGES

The division is susceptible to threats arising from the influx of new hotels within close proximity and the emergence of unconventional hospitality offerings such as Airbnb, homestay and boutique hotels. 2018 saw the opening of several new hotels and resorts by renowned international brands in the key cities in which the division operates. More hotel brands are poised to enter the Malaysian market in the near future, while existing ones may expand their presence by introducing different products catering to different markets. With the new supply of hotels, it is increasingly difficult to attain and retain skilled talent. Other tourist destinations and attractions regionally further increases the level of competition in the industry.

The hospitality industry in Malaysia was also affected by the soft market environment and drop in international tourist arrivals. Tourism tax and departure levy have deterred foreign visitor arrivals and undermined the competitiveness of Malaysia as a tourist destination. Government policies such as the Minimum Wage Order and Sales and Services Tax have further impacted the industry through higher operational costs. In addition, third party booking websites and Online Travel Agents (OTAs) have dominated the market, offering travellers an easy-to-search database of travel providers and the convenience of booking directly through their sites.



Kaffeinate at Sunway Velocity Hotel

STRATEGIES

In a move to capture the burgeoning market share in the outbound travel market to Malaysia from the Group's fast-growing source markets, especially the Chinese market, the division implemented various digital initiatives such as the mobilisation of online platforms (Weibo, Baidu and WeChat) and top Chinese Key Opinion Leaders to drive brand awareness. The digital initiatives have gained traction, with Sunway Resort Hotel & Spa being recognised as one of the top hotel accounts on Weibo and WeChat.

Demonstrating Sunway's long-term commitment to the Japanese market, the Hospitality division organised roadshows to Tokyo and Osaka in November 2018 to create greater brand awareness, and establish closer working relationships and smart partnerships with respective companies to create new business opportunities from untapped segments.

To stimulate more direct bookings online, the division continued to drive its Book Direct & Save digital marketing campaign, with enhanced benefits, savings and rewards being introduced for guests who book directly via Sunway's booking platform on the website. These include the best available room rates, complimentary late check-out, dedicated check-in lanes, exclusive discounts, special offers and other attractive deals. The division aims to drive higher conversions through an improved user-journey and ramped-up market reach via social platforms.

In the coming years, millennials are expected to represent an increasingly greater percentage of all travellers. The Hospitality division takes cognisance of this in defining strategies, focusing more on personalised interactions based on this new demographic group's personality traits and habits. This group consists of those who are early adopters of technology, spontaneous and seeking, amongst other things, easy check-in, value-added amenities and experiential dining experiences with social media readiness and reasonable pricing.

PROSPECTS

In early 2019, The Banjaran Hotsprings Retreat will be introducing its all new Sky Bar, set within a limestone cave overlooking geothermal hotsprings. The Sky Bar will be ideal for social gatherings, business networking or for guests to unwind. To further enhance The Banjaran Hotsprings Retreat's exclusivity, initial proposals are being drafted to construct a one-of-a-kind villa to cater to the high-end market and special events such as weddings. The retreat will also be looking at converting some existing areas into new function rooms to cater to the growing number of corporate events.

In the run up to Visit Malaysia Year 2020, the Ministry of Tourism, Arts and Culture will be intensifying its efforts to promote Malaysia as a tourism destination. Sunway will actively participate in international trade-shows to propel Sunway City as a destination of choice. As one of the most visited destinations in Kuala Lumpur, Sunway City seamlessly integrates a portfolio of hotels, an internationally-acclaimed theme park, a mega shopping mall, an award winning Balinese-inspired spa and a medical centre within an integrated destination. The division will be well positioned to leverage on this integration for the synergistic packaging of its products and services.

Also on the cards for the division in 2020 is the room refurbishment exercise at the division's flagship 5-star Sunway Resort Hotel & Spa, as the division endeavours to provide a refreshing experience for guests while adapting to the fast-changing tastes and needs of consumers.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSTRUCTION

*Parcel F Project, Putrajaya***INTRODUCTION**

As an end-to-end solutions provider capable of administering projects from conception to completion, Sunway Construction Group Berhad (“SunCon”) offers a unique value proposition as a leading contractor with a full range of integrated services from building, civil and infrastructure engineering, foundation and geotechnical engineering, mechanical, electrical and plumbing services (“MEP”), to the manufacture and sale of precast concrete products. Since its re-listing on the Main Market of Bursa Malaysia in 2015, SunCon has thrived into one of the most reputable and largest listed pure play construction player in Malaysia.

Committed to excellence and continuous improvement, SunCon has seen its expansion throughout Malaysia and beyond its borders, venturing into Singapore, the Middle East, India and Trinidad & Tobago. Since its inception 37 years ago, the division has contributed significantly to nation building with numerous iconic landmark projects which include key developments in Sunway City, Kuala Lumpur Convention Centre, Legoland Malaysia Theme Park and Water Park, Pinewood Iskandar Malaysia Studios, major government building projects in Putrajaya, as well as the Al-Reem and Rihan Heights projects in the United Arab Emirates.

Its impressive portfolio of projects also includes notable civil infrastructure projects such as the SILK Highway, sections of the Maju Expressway and South Klang Valley Expressway, Klang Valley Mass Rapid Transit (“MRT”) Package V4, Light Rail Transit (“LRT”) Kelana Jaya Line Extension (Package B), Bus Rapid Transit (“BRT”) – Sunway Line, as well as seven highway projects in India.

SunCon advocates the adoption of Industrialised Building Systems (“IBS”) or precast concrete products as it believes in sustainable, lean manufacturing methods. Currently, the division has precast manufacturing facilities in Johor, located in Senai and Sunway Iskandar, with a total production capacity of more than 156,600 m³ per annum. The division also enjoys a competitive advantage from its proprietary Virtual Design and Construction (“VDC”) programme, which is a powerful computer-aided design and modelling technology capable of supporting and managing the design, construction and business metrics of a development project to maximise overall efficiency.



International School of Kuala Lumpur

KEY MILESTONES

COMMITMENT TO PROJECT DELIVERY

During the year, SunCon successfully delivered several projects in the Klang Valley, which constituted a mixture of building, foundation and MEP packages.

In the buildings segment, SunCon completed the International School of Kuala Lumpur ("ISKL") which involved the construction of teaching facilities for Early Years, Elementary, Middle and High School students. Upon completion, ISKL was recognised as a Green Building Index (GBI) Platinum-rated building. A breakthrough for the division during the year was the completion of the Kuala Lumpur City Centre basement car parks, which were constructed using the top-down construction methodology. The division also completed several in-house projects in the southern region, including 222 landed residential units of Emerald Residence and 88 retail units of Emerald Boulevard in Sunway Iskandar. Emerald Boulevard was fully constructed using the division's own in-house precast expertise.

The foundation and geotechnical engineering segment delivered piling jobs secured in the prior year, namely the Sungai Besi-Ulu Kelang Elevated Expressway ("SUKE"), Damansara-Shah Alam Elevated Expressway (DASH), and other piling contracts within the Bukit Bintang City Center ("BBCC"), MRT packages, and other in-house projects.

Further, SunCon successfully commissioned the Gas District Cooling (GDC) Plant 1 in Precinct 1, Putrajaya, comprising a chilled water supply system, which involved the installation of chillers, cooling towers, gas boiler and thermal energy storage. The GDC project also included a power generation system which comprises a heat recovery steam generator, fuel gas compressor and gas turbine generator.

SUSTAINING STRONG OUTSTANDING ORDER BOOK

The division's outstanding order book remained strong and stood at RM5.2 billion as at 31 December 2018, which translates to an earnings visibility of approximately two years. The order book comprises a combination of in-house projects as well as external infrastructure, building, foundation, MEP and precast packages. SunCon exceeded its replenishment target for 2018 of RM1.5 billion by securing new orders totalling RM1.6 billion during the year from both internal and external clients.

Internally, SunCon was awarded the construction job for Sunway GEOLake Residences in Sunway City, which the Group launched in July 2018, for a contract sum of RM223 million. The construction of the Group's latest development in Kuala Lumpur, Sunway Velocity TWO, was also awarded to SunCon for a contract sum of RM352.1 million. The division further bagged a RM100.0 million contract for the basement architectural, mechanical and electrical works, pedestrian bridges and associated external works for a development in Sunway Velocity.

As part of the expansion plans of the Group's Healthcare division, SunCon secured the construction job for the first phase of Sunway Medical Centre in Seberang Jaya for a contract sum of RM180 million. In the same location, SunCon was also awarded the contract for the expansion of Sunway Carnival Mall, which carries a contract sum of RM286.0 million. The expansion of the mall in Seberang Jaya will entail the construction of nine storeys of retail space, which will increase the mall's total net lettable area to approximately 830,000 square feet by 2020.

The division secured several piling jobs during the year from reputable external clients. This included piling works for Tenaga Nasional Berhad's campus, and tunnelling works for the BBCC development in Jalan Pudu. These projects have a contract sum of RM23.2 million and RM46.3 million, respectively. SunCon also accepted a RM53 million award for bore piling works in respect of the SUKE, Section A package. In the precast segment, the division secured a total of RM229 million worth of new contracts during the year for the manufacture and sale of precast products to various clients.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSTRUCTION

NEW AUTOMATED PRECAST PLANT

SunCon, through its joint venture with HL Building Materials Pte Ltd, won the bid for a 30-year land lease in Pulau Punggol Barat, Singapore from the Building and Construction Authority of Singapore for the development of an Integrated Construction Prefabrication Hub ("ICPH"). The division has commenced the construction of its fully mechanised, state-of-the-art integrated precast plant on the land, with an expected annual production capacity of 100,000 m³ of concrete products. In 2018, the division also obtained two additional licenses for Prefabricated Prefinished Volumetric Construction ("PPVC") and for the production of Green Concrete.

The successful tender and new licenses augur well for the division, and is in line with the division's plan to upscale its precast facilities to a fully mechanised plant to improve efficiency and productivity, and reduce reliance on foreign workers. The investment will also ensure SunCon's precast division's continued presence in Singapore and is aligned with the Government of Singapore's intention to fully automate precast processes in Singapore to steer the industry towards raising productivity.

CHALLENGES

The construction industry experienced issues of fluctuating raw material costs, particularly steel bar prices, and the weak Ringgit during the year. Following the review and reduction in government spending on mega infrastructure projects, the market sentiment remained subdued in 2018. To stay ahead of the competition and in fulfilling new customer expectations, SunCon had to be agile by mainly focusing on innovative and efficient construction practices, such as Building Information Modelling ("BIM"), VDC and PPVC.

In respect of human resources, the construction industry places strong reliance on foreign workers. Consequently, the more stringent compliance rules and foreign worker levy have increased the overall operating costs of the industry players. In addition, a limited pool of competent subcontractors and shorter working hours due to restrictions on night working permits have exacerbated the problem of heightened costs of operations.

STRATEGIES

The division has taken measures to effectively manage the volatility in raw material prices and to preserve project margins by hedging its position. New policy implementation, particularly those affecting the labour supply, will be considered in future contract tenders. Nonetheless, the division will commit to retaining its talent pool through commensurate remuneration and promotion opportunities.

The division's competitive advantage lies in its ability to offer a full range of integrated services with a good track record. To reduce dependency on foreign labour and to enhance productivity and safety, the division intends to place more focus on design-and-build projects favouring mechanisation over conventional methods. The largest project to be undertaken using the VDC technology is the RM1.6 billion Putrajaya Parcel F project.

SunCon, as the first construction company to implement BIM processes, will continue to adopt the use of the technology. The precast unit, on the other hand, also seeks to optimise the costing and productivity of its Johor plant through automation and industrial technology.

PROSPECTS

The local construction industry is expected to experience slower growth in 2019 following the deferment and cost rationalisation of several national development projects. Despite this, however, there are pockets of opportunity in Malaysia, which the division will be focusing on in the coming year. As sustainable energy is imminent in this day and age, the division is embarking on solar energy projects. As a start, the division successfully installed solar panels along the EcoWalk elevated walkway in Sunway City.

Further, in view of the current weakness in the domestic construction market, the division is in discussions with potential strategic partners in Myanmar and India, as part of its geographic diversification and plans to enlarge its footprint in the ASEAN region. The division's strong track record in delivering infrastructure projects and other specialised buildings such as hospitals, hotels and shopping malls will be a competitive advantage in the overseas market. Particularly, SunCon will be exploring the rail and road infrastructure sector in India, where it has prior experience. The foundation and geotechnical engineering services segment has also commenced exploratory works to venture overseas within the ASEAN region.

Moving forward, the precast segment will continue to upgrade its precast facilities to cater to the production of more products. With the Green Concrete license obtained in 2018, the division will be able to tender for more projects with the Government of Singapore, which requires mandatory use of green concrete. Construction of the division's ICPH plant in Singapore with its joint venture partner, HL Building Materials Pte Ltd, has begun and the plant is expected to be fully commissioned by early 2021. With this new plant, the division's annual production capacity for precast will increase to 256,600 m³.

With the strong outstanding construction order book of RM5.2 billion as at 31 December 2018, the division will be looking to sustain the current level of order book in 2019. The division has set a replenishment target of RM1.5 billion for the coming year. Focus will also be placed on executing and delivering the division's current order book.

As a total solutions provider, SunCon is a one-stop centre for building, civil and infrastructure construction services, foundation and geotechnical engineering services, MEP and the manufacture and sale of precast. With this, the division is able to create synergies across its entities, which is a competitive advantage when tendering for new projects. The division will also continue to reinforce the importance of delivering quality products and maintaining confidence in its branding.

TRADING AND MANUFACTURING



CASE Backhoe Loader

INTRODUCTION

Sunway's Trading and Manufacturing division began its operations in 1983. Through years of strategic management and both organic and inorganic expansion, the division has thrived into an international trading establishment with five main product lines, namely Hoses & Fittings, Heavy Equipment Parts, Heavy Equipment, Building Materials and Industrial Hardware. The division's active regional presence extends across 41 locations in Malaysia, Singapore, Thailand, Indonesia, China and Australia. Via its extensive network, the division serves a clientele base of close to 13,000 from a diverse range of industries, including construction, marine, oil and gas, mining, agriculture, manufacturing, logging and quarrying.

The division adopts a partnership-oriented strategy which focuses on partnering well-established global brands. The division has 166 agency lines (2017: 150), including CASE, SANY, Furukawa, Unic, Airman, Lonking and Weichai for heavy equipment; FP Diesel and DCF Trek for heavy equipment parts; Finn-Power, SEL Eaton and KLAW for hoses and fittings; and Bosch, 3M, Stanley and Bahco for industrial hardware.

Complementing the diverse agency lines are a range of high quality in-house brands, developed through product innovation in order to achieve long term business sustainability. The in-house brands include Sunflex and TotalRubber hoses and fittings, and Suntrak undercarriage parts. Sunway Winstar, a new addition to the division since 2015, has also introduced several in-house labels, such as Nietz hand tools and abrasive, Picasaf safety products, Sobar safety shoes, Winsir household and gardening tools, and Galaxy spray paint and waterproof solution.

MANAGEMENT DISCUSSION AND ANALYSIS

TRADING AND MANUFACTURING

KEY MILESTONES

NEW AGENCY LINES

Sunway's Trading and Manufacturing division is dedicated towards its global sourcing initiatives, centred on identifying and securing the distribution rights for the best products from the best manufacturers worldwide. In 2018, the division increased its agency lines from 150 in 2017 to 166, with the new additions covering a broad range of quality brands across all five of the division's product lines.

Prominent new agency lines include Sumitomo Riko hoses and Kansai paint. With the newly acquired agencies, the division will continue to enhance its reputation as a one-stop centre with an ever expanding product range to meet the growing needs of its customers and partners.

As for the division's in-house products, Sunway Winstar successfully developed and launched a new product 'N10' under its house-brand 'Nietz' in the first half of 2018. N10 is a multi-purpose lubricant which can be used to prevent rusting, lubricate, loosen rusted parts, reduce friction and eliminate squeaking.

CENTRALISED WAREHOUSING

During the year, several companies under the Trading and Manufacturing division undertook a relocation exercise to consolidate its warehouses and storage facilities into a centralised site in Subang Jaya.

The location of the warehouse in Subang Jaya is strategic and conveniently located near major highways such as KESAS Highway, New Pantai Expressway (NPE) and North South Expressway, which eases transportation and logistics to and fro the warehouse.

QUALITY MANAGEMENT

The division's operations in Singapore was awarded the Quality Management System certification of ISO 9001:2015 in 2018 in recognition of its quality management processes and ability to consistently provide products and services that enhance and complement its partnership with customers and suppliers.

This certification further demonstrates the division's commitment in delivering high quality products and services across all its product lines, as the division recognises this as a differentiating factor from its competitors in order to remain competitive in the market and attain customer loyalty.



Nietz N10 Multi-purpose Lubricant



Sunflex Hydraulic Hoses



Unic Mini Crawler Crane



DCF Track Link

CHALLENGES

As a result of deferments and cost-cutting measures for major infrastructure projects, demand for some of the division's products experienced short term weaknesses. Global uncertainties, such as the instability of oil prices and the U.S.-China trade war, have also weakened confidence globally, affecting currency exchange rates and the demand for the division's products. The intensified trade tension between the U.S. and China are expected to have an adverse impact on trade sectors in Asia, owing to the interdependency of the economies.

Volatility in currency exchange rates and the weakness of the local currency can lead to an increase in procurement costs. The increased cost may consequently result in less competitive selling prices and lower operating margins.

STRATEGIES

Sunway's Trading and Manufacturing division will build on its strong foundation and take advantage of the replicable nature of its business model to continuously expand geographically. The division's vast distribution network is a key strength and will serve as a platform for growth.

To uphold the division's reputation as a one-stop centre for high quality products, Sunway will actively pursue manufacturing opportunities with its product principals to expand its range of products. The division will also continue to source globally for new products and agency lines while intensifying its efforts in developing in-house proprietary brands. Focus will be placed on products with sizeable market share, high yield and growth potential, as well as environmentally friendly products which comply with the Green Building Index.

Opportunities for mergers, acquisitions and joint ventures will be explored to grow the division's portfolio. Through the acquisition of companies with related products, the division will be able to quickly grow its extensive regional network of branches and customer base, benefitting from the synergies extracted through the integration.

As the division continues to expand, having a robust support system is essential to manage the division's diverse business units across its 41 locations regionally. This includes an IT system to streamline daily operations and an inventory management system to drive cost containment and improve efficiency. These initiatives will be the driving force in facilitating better work efficiency and improve the level of satisfaction in delivery to its customers, suppliers and partners.

PROSPECTS

The Hoses & Fittings segment will concentrate on market expansion through the introduction of new, innovative products and replication of its business model in new locations. The segment's focus in the coming year will be the expansion of the business to Vietnam, where the division sees strong potential in the distribution of hoses and fittings. The division's warehouse and office in Vietnam are currently under renovation and trading operations are targeted to begin early 2019. The division will commence with the distribution of hoses and fittings, and introduce other products gradually.

The Heavy Equipment Parts segment will be looking to roll out new products to Thailand and Indonesia, in tandem with the division's plan to leverage on its vast distribution network to grow geographically.

Sunway Winstar, the division's Industrial Hardware company, will continue to build its in-house brands such as Nietz, Picasaf, Sobar and Galaxy. Expansion plans are also in the pipeline for Jaya DIY Mart, the division's retail DIY chain selling hardware and household products. Jaya DIY Mart plans to open more outlets in the coming year while undertaking a rebranding exercise for its existing outlet.

MANAGEMENT DISCUSSION AND ANALYSIS

QUARRY



Quarry in Semenyih

INTRODUCTION

Since Sunway's return to the quarry industry in 2005, the division has rebuilt and strengthened its capacity over the years to become a well-established player in the local quarry scene. The division's core businesses are the supply of aggregates and production of asphalt, with the division contributing to some of the nation's largest developments and infrastructure projects.

AGGREGATES

The division produces a comprehensive range of single sized and blended aggregates for ready mixed concrete and other construction activities through its operation of six quarries across Peninsular Malaysia, upholding its stature as a leading supplier of crushed rock aggregates.

ASPHALTS

At present, the division has a total of 13 asphalt plants producing asphalt for the pavement of roads and highways. The plants are strategically located along development corridors and in close proximity to major artery highways, allowing easy access, better efficiency and ability to capitalise on the potential business opportunities within the vicinity.

KEY MILESTONES**ENHANCED PRODUCT MIX**

During the year, the division successfully developed an enhanced asphalt product mix, which is more sturdy and durable compared to the conventional asphalt used for expressways. Termed the 'Fibre Reinforced Asphalt Concrete', this product is expected to reduce the occurrence of fractures in roads and lower the cost of road maintenance, while minimising the frequency of traffic jams due to road closures for repairs.

The division was the first to supply this product to Johor for the Senai-Desaru Expressway project, as part of its strategic plans to penetrate the Johor market. Moving forward, the division intends to continue to supply this enhanced product mix for projects along the North-South Highway and other public infrastructure projects in Malaysia.



Asphalt Plant in Kampar

DRIVING SUSTAINABLE EFFICIENCY

Sunway's Quarry division undertook strategic initiatives to improve the efficiency of its asphalt plants during the year. This included reducing average fuel consumption during the production of asphalt, which translated to cost savings and lower carbon emissions. Continuing on from its efforts in the previous year, the division also replaced its generator sets at some sites, which resulted in further cost savings. These initiatives are in line with the Group's commitment to sustainability, to combat climate change and strive towards responsible consumption and production.

The division will continue its move towards batch plants, as opposed to drum mix, in view of more stringent requirements by the authorities on better quality premix and to improve the flexibility in manufacturing. At present, a total of six asphalt plants are batch plants, with plans to increase this further as the division gravitates towards more environmentally friendly production. The division is actively looking to increase its batch plant installations to enhance its competitive edge and market share by allowing the production of special product mixes.

CHALLENGES

With the expected reduction in major infrastructure projects in Malaysia, the level of demand for aggregates and asphalts remains subdued. Although this is expected to pick up in 2019, competition remains stiff and prices of aggregates and asphalt continue to be suppressed amidst the challenging market environment.

Further, due to the nature of the industry, quarry operators are faced with challenges in the renewal of operation licenses due to tighter enforcement, particularly for those close to residential areas. Hence, active expansion and efficient management of resources remain critical for the division to capitalise on timely opportunities at strategic locations to stay ahead of other industry players and retain a larger market share in the industry.

STRATEGIES

In order to build customer loyalty, focus is always placed on customer experience to ensure that customers receive the best products and services at the best price. This is achieved by focusing on lowering costs, improving quality and ensuring timely delivery. Sunway is constantly on the search for dedicated sales and marketing personnel, well equipped with knowledge of the industry and products, to build a strong customer base.

The division continues to establish strategic partnerships with non-quarry based concrete operators to offer a consistent supply stream of aggregates for their production of ready mixed concrete for infrastructure and construction projects.

In line with the road map to be one of the top quarry operators in the country, the division is always on the look-out for new quarry sites. This involves the search and identification of quarry sites in strategic locations, which will reduce logistic costs and improve margins.

In terms of operations, the division strives for flexibility in manufacturing by pursuing various methods in product optimisation, varying production to cater to demand and to minimise production downtime and technical rectification. The division also aims to change its burning source at one of its sites which is expected to translate to cost savings, as well as support the goal of more environmentally friendly production. Further, the division has plans to leverage on the digitalisation wave to improve site connectivity and communication infrastructure, which is expected to improve operational efficiency, enhance collaboration and improve internal controls.

PROSPECTS

The division intends to add more new quarry sites and asphalt plants to its portfolio, either via greenfield developments, or via acquisition of existing sites. The division will also look at adding new plants at its existing sites to support the uptake in demand at key locations.

Strategic locations for the new plants will be along the North-South Highway and the East Coast Expressway, where the division will be able to serve the needs of development projects in the vicinity. The planned expansion will increase the division's market share, and is expected to strengthen its overall performance through economies of scale and increased coverage. New sites in the southern region will be both strategic and synergistic, capitalising on the expected population and development growth in Johor within the next few years. The new site will also add a new supply source to Sunway's planned township development in Sunway Iskandar.

The division will be focusing on optimising product design, and collaborating with research centres and other experts to develop new designs and ensure that the division remains at the frontier of new products. This will help to improve quality and marketability at a reduced cost.

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING MATERIALS



GeoPave at Emerald Boulevard, Sunway Iskandar

INTRODUCTION

The Group's Building Materials division constitutes three core segments, namely Interlocking Concrete Pavers ("ICP"), Vitrified Clay Pipes ("VCP"), and Spun Piles. Each of these segments manufacture products which are in compliance with Eco-Label and Green Label requirements, through sustainable business practices and eco-friendly manufacturing processes. All manufacturing facilities are ISO accredited in Quality Management System and Environment Management System.

ICP

Sunway is a strong brand in the ICP industry, with a track record that extends beyond three decades. The ICP segment derives its competitive edge through consistent commitment to high quality products and innovation in the manufacture and sale of ICP in Malaysia. The segment currently owns and operates five plants, contributing to a combined production capacity of over 3.0 million m² of pavers per annum. The five plants are strategically located across Malaysia, namely Batang Kali in Selangor, Nibong Tebal in Penang, Senai in Johor, Marang in Terengganu, and the latest plant in Kota Kinabalu, Sabah, to ensure thorough coverage of the local market.

VCP

With over 20 years in the industry, Sunway's VCP segment has cemented itself as one of the largest producers of VCP in the nation, boasting a production capacity of 55,000 tonnes per year. The business is principally involved in the production of fully glazed VCPs and jacking pipes, which are primarily used in the country's sewerage system. VCPs are extremely durable pipes, high chemical resistance and high load strength, even in extreme climates and conditions.

SPUN PILE

The Group's flagship spun pile plant in Zhuhai, China boasts an annual production capacity of over 200,000 tonnes. The plant is equipped with the technical competency to fabricate large diameter pre-stressed high strength concrete ("PHC") spun piles, suitable for major infrastructure and construction projects such as wharfs and bridges. The division's ability in fulfilling deliverables has made it one of the biggest and most advanced spun pile manufacturers in the region. The segment also operates a plant in Batang Kali, Selangor which has a capacity to produce up to 300,000 tonnes of spun piles yearly with sizes from DN250mm to DN600mm and lengths of up to 15 metres. The plant was set up in 2016 in line with the division's vision of becoming an established PHC spun piles supplier regionally.

KEY MILESTONES

“INNOVATION IS OUR DNA”

Sunway's ICP segment continues to innovate and develop new products through research and development (“R&D”) initiatives to sustain its competitive edge. The division further refined its Truly Non-Slip (“TNS”) compressed concrete tiles, launching the ‘Artificial Granite’ and ‘Shot Blast / Honed’ series, providing more options to its clients. The TNS tiles are an aesthetically pleasing product that offers exceptional anti-slip properties, making it suitable for use in frequently wet areas such as pool decks, balconies, walkways, and laundry areas.

In 2018, the ICP segment launched its M Series Pavers and Cobblepave 2.0, adding to the division's selection of pavers. The M Series Pavers come in multiple sizes, and is mainly used for bicycle paths, jogging tracks, patios, pool decks and driveways. Both of the newly launched pavers offer high skid resistance, fungal resistance and require minimal maintenance. The wide range of colours available allows the pavers to be used to delineate separate areas, indicate parking bays and permanent road markings. A key advantage of the pavers is the ease of laying without the use of heavy equipment even in areas with slopes and gradients. The M Series Pavers can also be easily lifted and re-laid for easy access to underground utility services.

In recognition of the segment's focus on innovation, Sunway was awarded the Honour Award – Landscape Green Products Award under the Landscape Supplier or Manufacturer Category at the Malaysia Landscape Architecture Awards (MLAA). This award recognises Sunway's innovative Neupave paver, which is designed to prevent floods by allowing water to permeate its surface to the underlying soil.

The ICP segment has achieved Level 5, which is categorised as “Excellent”, in the Systematic Occupational Health Enhancement Level Programme (SoHELP) initiated by Malaysia's Department of Occupational Safety and Health.

The VCP segment became the first manufacturer in Malaysia to upgrade its clay pipes standard from version EN295:1991 to version EN295:2013, in line with international standards. The segment also commissioned the installation of solar panels at its factory premises in 2018 in line with its business model of sustainable business practices and eco-friendly manufacturing processes.

In 2018, the Spun Pile segment successfully obtained the ISO 14001:2015 accreditation, recognising the segment's efforts in responsible business practices in waste management as well as energy and materials consumption. On top of that, the Spun Pile segment also obtained SIRIM Product Certification for all class types and sizes of piles produced.



Neupave Prime Grass Pavers

BUSINESS GROWTH

In 2017, as part of the division's ambition to grow its ICP business, the division identified a strategic location in Kota Kinabalu, Sabah to establish its fifth ICP production plant. The plant has been successfully established and is expected to commence operations in the first half of 2019. This plant is positioned to leverage on the increase in construction activities in East Malaysia and is part of the division's plan to penetrate the Sabah ICP market as well as expand its distribution network to cover East Malaysia and Brunei.

The Spun Pile segment also successfully expanded its network to Indonesia, securing new business in Palembang, Indonesia during the year.

CHALLENGES

Demand for the division's products, particularly ICP and VCP, are to an extent dependent on the performance of the local property industry. With the continuous overhang in the property market in Malaysia, the demand for the division's products is also adversely affected. Further, government and local council projects have decreased and lingering uncertainties on mega projects could create a drag on market activities. However, the ICP segment still retains a strong market share of more than 70%, providing a platform to capitalise on any opportunities that arise.

The threat of substitute products for the ICP segment is growing stronger and to combat the threat, the division has to continue to innovate to maintain its competitive edge and stay ahead of the continuously changing demands of customers, from non-standard dimensions and free-flowing designs to durability and aesthetics. Investment in new technology is also much needed as the ICP segment's laying business faces more competition from the use of robotic mechanical laying, as opposed to the traditional manual laying.

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING MATERIALS



VCP Production

STRATEGIES

The Building Materials division is committed to differentiating itself from its competitors through the introduction of innovative products to meet the challenging market expectations. The division places great emphasis on sustainable business practices, with its production facilities focused on eco-friendly manufacturing processes and materials used. The division also constantly strives to align its products with international standards to further differentiate itself from competitors.

The division manages its costs through efficient and effective procurement and optimisation of asset utilisation to improve productivity and production yields. Continuous R&D is conducted on new and existing products, as well as production processes in an effort to eliminate wastage and drive efficiency. The division will also continue to look into vertical integration of its supply chain to reduce reliance on suppliers and overcome price fluctuations of raw materials.

The key to business sustainability is building strong relationships. The division develops and maintains strong ties with partners and clients, government agencies and consultants, and employees. In 2018, Sunway's Building Materials division was recognised for the second time since 2016 as one of the Best Employers in Malaysia by global talent consultancy firm Aon Hewitt.

PROSPECTS

The ICP segment's new paver plant in Kota Kinabalu, Sabah marks its first foray outside Peninsular Malaysia, bringing the number of ICP plants to five. The division will focus on promoting its products in the region to capitalise on the rising demand from the increase in construction activities in East Malaysia. Further, the division will be working closely with the local authorities to drive the conversion of premix roads in the vicinity.

The division will continue to roll out new, innovative, and efficient products while re-engineering existing ones to set itself apart from the other industry players and retain its market leadership position. Focus and emphasis will be placed on innovation, developing green products and re-engineering road pavements. The division will continue to work closely with government agencies, authorities, and local developers to promote the conversion of premix roads to ICP.

The VCP segment will focus on marketing its extensive range of products to drive increased conversion rates from High-density Polyethylene (HDPE) and Reinforce Concrete Pipes (RCP) to Vitrified Clay Pipes (VCP) while improving production efficiency. The VCP segment will continue its efforts on the international front with strategies to expand its distributorship channels to other countries.

For the division's Spun Pile segment, focus will be on growing its market presence by exploring new export markets, while improving efficiency and productivity of operations and reducing wastage through stricter in-process quality control. Significant R&D efforts will also be channelled towards enhancing pile integrity and improving mix design to achieve higher strength at a lower cost.

HEALTHCARE



Artist's Impression of Sunway Medical Centre, Seberang Jaya

INTRODUCTION

Established in November 1999, Sunway Medical Centre is the flagship hospital for the Group's Healthcare division. Situated in the integrated township of Sunway City, the hospital has grown considerably since its inception to become one of the leading private tertiary hospitals in Malaysia.

Sunway Medical Centre is a provider of distinct and high quality medical care, with 636 licensed hospital beds, 180 consultation suites, 12 operating theatres and a multi-storey car park with 1,470 parking bays. There are more than 200 consultant specialists and 2,000 healthcare professionals and support staff, dedicated to raise overall healthcare standards across more than 60 medical specialties. All practicing doctors are of consultant specialist level and possess internationally recognised postgraduate qualifications as well as a stipulated number of years of experience in their chosen specialty or sub-specialty discipline.

Sunway Medical Centre offers a comprehensive range of medical services, including outpatient, day surgery and in-patient specialty care, health & wellness programmes and 24-hour emergency services. There are also dedicated Critical Care Units (CCU), Neonatal Intensive Care Units (NICU) and High Dependency Units (HDU) which serve to deliver critical care. In the Accident and Emergency (A&E) unit, first response and primary care services are managed by a team of qualified and experienced medical doctors, nurses, paramedics and support staff.

To provide an integrated and patient centric approach to healthcare services, the division developed and introduced multiple Centres of Excellence ("CoE"), covering a diverse spectrum of medical specialties. Each of the 25 CoEs at Sunway Medical Centre serves as a focus hub, bringing together a team of experts to address the increasingly sophisticated needs of the population.

MANAGEMENT DISCUSSION AND ANALYSIS

HEALTHCARE

KEY MILESTONES

NEW FRONTIERS

The Group's Healthcare division commemorated the start of construction works for the 180-bed medical centre in Seberang Jaya, Penang with a ground-breaking ceremony in September 2018. The medical centre will be the division's maiden foray into the Penang healthcare market and is expected to be completed by end-2020. The primary goal of Sunway Medical Centre Seberang Jaya is to ensure that the communities in the vicinity have access to top-notch quality healthcare services.

Upon opening, Sunway Medical Centre Seberang Jaya is expected to house more than 600 healthcare professionals including nurses, pharmacists, nutritionists, physiotherapists and psychologists. The division targets to engage 60 experienced and qualified medical specialists to practice in the hospital. The medical centre will also include six operating theatres, equipped with the latest state-of-the-art equipment. Core specialities will include Neurology and Neurosurgery, Clinical and Medical Oncology, Orthopaedic, Cardiac and Vascular. These services will be complemented by the latest medical innovations and advanced medical equipment including the Linear Accelerator and PET/CT scanner.

At the flagship Sunway Medical Centre in Sunway City, the division launched its new Wellness Centre to meet the growing demand for preventive healthcare services. The Wellness Centre is designed to help customers better manage potential health risks through preventive care as they balance the daily stresses of a hectic lifestyle. It offers a range of health screening packages tailored for men and women of different age groups, and pre-employment health screening packages for executives.

Sunway Medical Centre also unveiled the revolutionary Leksell Gamma Knife® Icon™, the latest model of an advanced radiation machine that can be used to treat a number of neurological disorders and brain conditions that typically require an open brain surgery. This leading edge technology is a game changer, allowing neurosurgeons to precisely target areas within the brain with the aid of various imaging techniques, and to administer a treatment with greater accuracy, little discomfort and less radiation to the surrounding healthy tissues. Further, this machine allows surgeons to treat larger tumours without any significant complications, in staged or fractional treatments.

TOP OF THE CLASS

Sunway Medical Centre strives to ensure world-class quality of healthcare services by constantly benchmarking itself against international standards. In 2018, it obtained, for the second cycle, a full 4-year accreditation from the Australian Council on Healthcare Standards ("ACHS"). The medical centre was the nation's first hospital to have received the accreditation from ACHS in 2014, in recognition of its commitment to deliver the highest quality of care.

In support of its contributions to medical tourism, Sunway Medical Centre was recognised as Medical Tourism Hospital of the Year in Asia Pacific at the Global Health and Travel 2018 APAC Healthcare & Medical Tourism Awards. Sunway Medical Centre was awarded joint winner alongside the renowned Bumrungrad International Hospital in Bangkok, Thailand, with Singapore's Mt Elizabeth Hospital as runner-up. At the same event, Sunway Medical Centre was further recognised as Oncology Service Provider of the Year in Asia Pacific and Neurology Service Provider of the Year in Asia Pacific.

Other notable awards garnered during the year include the Pioneer Development Award 2018 at The Edge Malaysia Property Excellence Awards 2018, and the Healthcare CSR Company of the Year 2018 by Frost & Sullivan.

MEDICAL COLLABORATIONS

As a leading private tertiary hospital in the country, Sunway Medical Centre is continuously investing in not just skilled personnel and state-of-the-art equipment, but also in creating a platform for knowledge-sharing among fellow medical practitioners.

In 2018, the highlight in medical collaborations was the first Cambridge-Royal Papworth-Sunway Heart and Lung Symposium, launched by YB Dr Lee Boon Chye, Deputy Minister, Ministry of Health Malaysia, at Sunway Medical Centre in November. The event took place over the course of three days for doctors practicing and with interest in the field of Cardiology, Cardiothoracic Surgery, Respiratory Medicine, Internal Medicine and Oncology. The symposium included speakers from Royal Papworth Hospital, alongside specialist doctors from Sunway Medical Centre. The collaboration between Royal Papworth and Sunway Medical Centre will further entail the development of clinical services, education and training of healthcare professionals, research and trials, and collaborative projects in terms of laboratories and procedures.

CHALLENGES

The healthcare industry continues to be competitive with the increase in supply of new hospitals and beds, and the expansion of existing hospitals in Malaysia.

Human capital retention remains a key challenge to operations. Consultants and other medical professionals are presented with more options with the increasing number of medical institutions. Some reputable consultants are also setting up their own firms, resulting in a shortage in coverage of certain disciplines. The recruitment of experienced nurses is equally challenging due to the inconsistency of training quality provided by local nursing schools, talent drain to hospitals abroad, and competition amongst private and government hospitals to attract and retain skilled nurses.

The volatility of the Ringgit has further subjected the industry to higher costs of purchasing imported drugs and medical equipment. The weakness in the local currency may have also deterred some overseas-trained Malaysian consultants from returning and practising locally.



Artist's Impression of Sunway Medical Centre, Sunway City

STRATEGIES

Sunway Medical Centre is accredited by ACHS and certified by the Malaysian Society for Quality in Health (MSQH). It is also the first medical institution in Malaysia to receive the Westgard Sigma Verification of Performance from the United States of America, a benchmark for quality driven laboratory methods and practices. These accreditations and recognitions are testament to the division's focus on ensuring operational excellence and patient safety.

Recruiting quality medical consultants for specialties in shortage has always been a key focus for the division. In addition to actively engaging returning medical consultants from overseas, Sunway Medical Centre also aims to attract quality and experienced nurses by providing various forms of support, including sponsorships, accommodation and training programmes.

To fuel the division's next stage of growth, Sunway Medical Centre has embarked on an expansion plan which involves developing a network of new tertiary hospitals in key catchment areas. New hospitals will be established in Sunway Velocity, Cheras; Sunway Damansara; Seberang Jaya, Penang; Sunway City Ipoh; and Sunway Iskandar, Johor. The division also continues to diversify its regional presence and expand its international patient base to serve a wider market. Sunway Medical Centre currently serves patients from over 130 countries, and has a total of nine fully operational representative offices across Indonesia.

With South East Asia becoming increasingly popular for medical tourism, Sunway Medical Centre has positioned itself as one of the preferred destinations due to its strategic location within the integrated township of Sunway City, and its exceptional standards in medical expertise and technology.

As part of the division's drive towards digitalisation, Sunway Medical Centre launched its SunMed Go application, which is a patient portal that provides extended services and convenience online. The application allows users to make appointments with doctors or arrange services easily, with more features expected to be introduced progressively.

PROSPECTS

Under Budget 2019, the Malaysian government announced an allocation of RM20 million to the Malaysian Healthcare Travel Council (MHTC) to promote the country's medical tourism industry. Sunway Medical Centre, being located in the integrated township of Sunway City, is well-positioned to capitalise on the opportunities that may arise during the year.

Sunway Velocity Medical Centre, which is currently under construction, is set to commence operations in mid-2019. The hospital will be equipped with facilities such as a catheterization lab, endoscopy suites, intensive care units, dialysis centre, day chemotherapy centre, and a 24-hour A&E unit. The hospital will also be digitally equipped with electronic medical records from the first day of operations.

Sunway Specialist Centre (SSC), an ambulatory care centre, will be opening in Sunway Nexis, Kota Damansara in the second quarter of 2019. The centre, which is directly linked to the Surian Mass Rapid Transit (MRT) station, offers outpatient specialist services in the areas of women and children, eye and skin. Facilities include operating theatres for minor procedures, a medical and surgical daycare ward and a pharmacy. In Singapore, the division will be setting up its ambulatory care centre and health screening and wellness centre, as its maiden venture into the international market.

Further, the division will be expanding its areas of specialisation with the launch of its Traditional Complementary Medicine (TCM) Centre. This venture into a niche market of 'East-West' traditional complementary medicine will allow the division to target specific customer segments and provide a unique customer value proposition through highly qualified clinical practitioners, evidence-based traditional complementary medicine and transparent formulation of herbs and supplements.

TAKING ON BIGGER WAVES

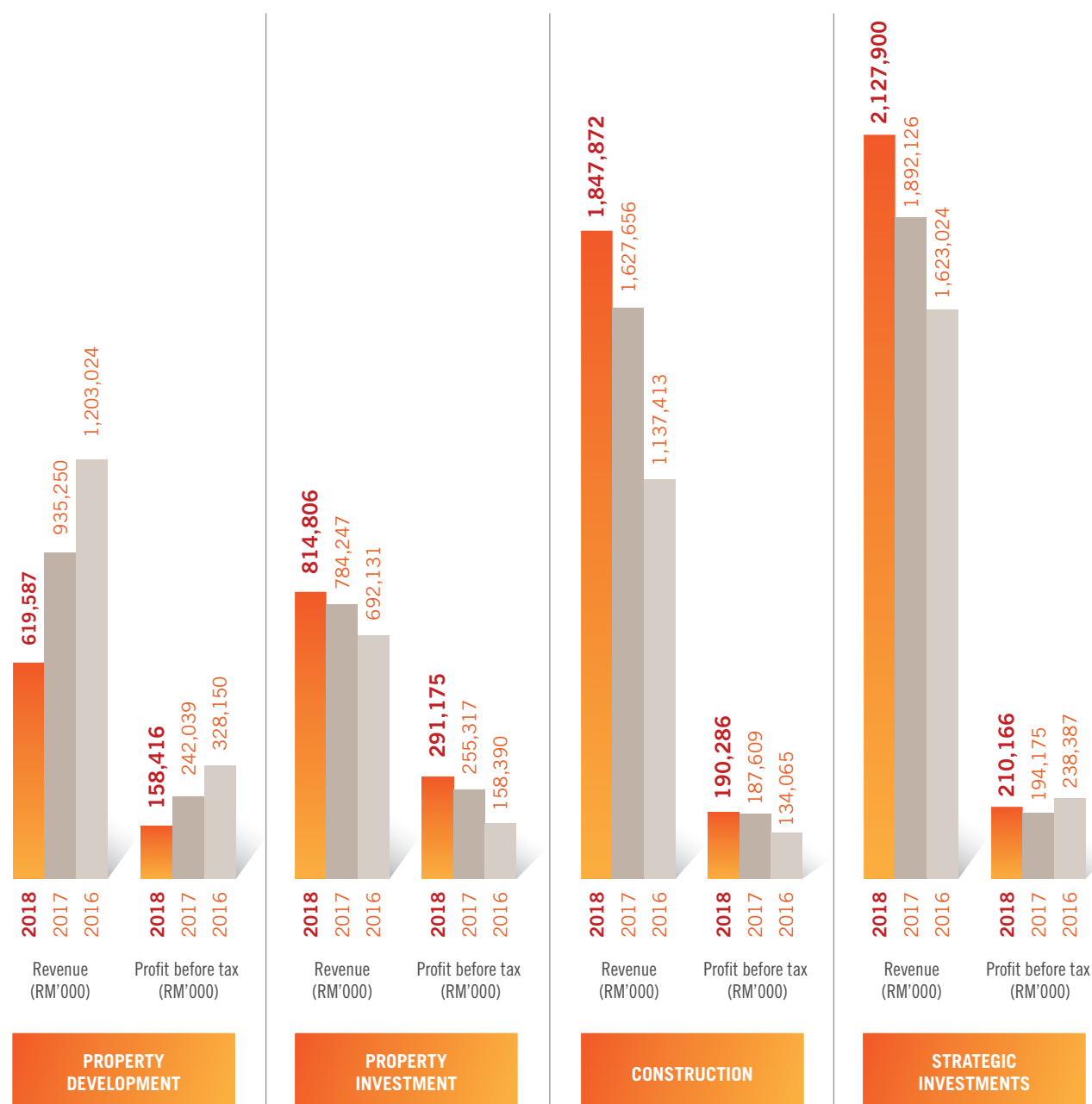
Sunway's Leisure division takes pride in delivering fun to its patrons of all ages through its two premier multi-park attractions – Sunway Lagoon in Sunway City and Lost World Of Tambun in Sunway City Ipoh. The two parks attracted close to 2.4 million visitors in 2018.

FINANCIAL REVIEW

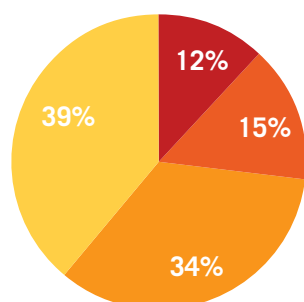
- 78** Segmental Performance
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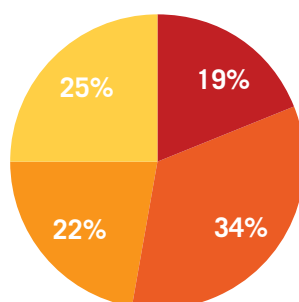
SEGMENTAL PERFORMANCE



REVENUE 2018



PROFIT BEFORE TAX 2018



- PROPERTY DEVELOPMENT
- PROPERTY INVESTMENT
(comprises Property Investment, REIT, Leisure and Hospitality)
- CONSTRUCTION
- STRATEGIC INVESTMENTS
(comprises Trading and Manufacturing, Quarry, Building Materials, Healthcare and Others)



Please refer to Financial Review in Management Discussion and Analysis and Financial Statements for more information.

FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED				
	2018 RM'000	2017 RM'000 (Restated)	2016 RM'000	2015 RM'000	2014 RM'000
OPERATING RESULTS					
Revenue	5,410,165	5,239,279	4,655,592	4,448,390	4,558,141
Profit before tax	850,043	879,140	858,992	930,362	960,242
Income tax expense	(121,649)	(149,357)	(140,394)	(130,939)	(148,593)
Profit net of tax	728,394	729,783	718,598	799,423	811,649
Non-controlling interests	70,011	102,311	132,715	66,974	77,638
Profit attributable to owners of the parent	658,383	627,472	585,883	732,449	734,011
KEY BALANCE SHEET DATA					
Property, plant and equipment	1,856,860	1,522,895	1,879,929	1,333,563	977,084
Investment properties	1,942,744	2,066,760	2,798,405	2,722,348	2,370,420
Rock reserves	5,868	6,131	6,394	6,657	6,920
Land held for property development	1,671,311	1,682,127	1,191,512	1,194,112	535,462
Investments in associates and joint ventures	3,390,661	3,628,603	3,229,934	3,181,173	2,521,413
Goodwill	313,893	311,814	311,840	320,060	319,444
Deferred tax assets	108,896	100,828	70,758	83,714	42,670
Trade receivables	63,838	51,407	30,380	10,521	6,723
Derivatives	-	34,181	164,711	351,271	66,329
Other non current assets	1,993,256	1,270,187	53,492	57,878	28,389
Current assets	9,174,612	8,536,361	9,014,598	6,739,560	5,884,262
Assets of disposal group classified as held for sale	486,128	294,283	-	-	98,029
Total assets	21,008,067	19,505,577	18,751,953	16,000,857	12,857,145
Long term borrowings	2,535,754	2,868,344	2,553,122	2,818,189	1,651,539
Deferred tax liabilities	146,907	121,331	94,561	90,886	82,860
Derivatives	36	4,496	3,644	7,709	3,682
Other long term liabilities	128,993	258,013	340,183	306,648	519,406
Current liabilities	9,102,188	7,741,149	7,527,213	5,564,151	4,275,817
Total liabilities	11,913,878	10,993,333	10,518,723	8,787,583	6,533,304
Total equity	9,094,189	8,512,244	8,233,230	7,213,274	6,323,841
Perpetual sukuk	400,000	-	-	-	-
Non-controlling interests	619,826	621,526	763,508	650,558	387,473
Shareholders' equity	8,074,363	7,890,718	7,469,722	6,562,716	5,936,368
FINANCIAL RATIOS					
Profit before tax margin (%)	15.71%	16.78%	18.45%	20.91%	21.07%
Basic earnings per share (sen)**	13.32	13.04	12.85	17.90	18.24
Diluted earnings per share (sen)**	13.30	13.00	12.74	17.40	17.89
Closing share price as at end of period (RM)*^	1.47	1.63	1.29	1.31	1.36
Price-earning ratio (times)	10.99	12.78	10.67	7.57	7.76
Return on capital employed (ROCE) (%)	6.70%	7.55%	8.66%	11.55%	14.16%
Return on equity (ROE) (%)	8.34%	8.40%	8.93%	12.34%	13.78%
Net gearing ratio (times)	0.41	0.39	0.40	0.45	0.29
Net tangible assets per share (sen)*	157.11	153.65	147.88	147.58	138.73
Net assets per share (sen)*	163.97	160.43	155.17	156.28	147.01
Share capital (RM'000)	5,379,437	5,370,606	2,063,067	1,799,755	1,730,579
Number of ordinary shares ('000)	4,924,402	4,918,491	2,063,067	1,799,755	1,730,579

Notes:

- 1) The financial statements for FY 2018 and FY 2017 (Restated) are prepared in accordance with Malaysian Financial Reporting Standards (MFRS). The financial statements of the previous financial years (FY 2014 to FY 2016) were prepared in accordance with Financial Reporting Standards (FRS) in Malaysia.
- 2) The financial highlights for FY 2016 above does not reflect prior year restatements arising from the Group's reclassification of its investment in Sunway Velocity Mall Sdn. Bhd. from investment in subsidiaries to investment in joint ventures in FY 2018.

* Basic / diluted earnings per share, closing share price, net tangible assets per share and net assets per share for FY 2014 to 2016 have been adjusted to reflect the enlarged number of shares of Sunway after the bonus issue of shares.

The earnings per share calculations have excluded the distribution to holders of perpetual sukuk.

^ Source: Bloomberg

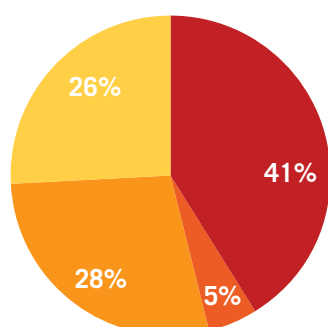
VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2018 RM'000	2017 RM'000 (Restated)
VALUE ADDED		
Total Turnover	5,410,165	5,239,279
Purchases of goods and services	(3,482,755)	(3,320,405)
VALUE ADDED BY THE GROUP	1,927,410	1,918,874
Share of results of associates	172,322	168,613
Share of results of joint ventures	56,932	37,847
Net gain on revaluation of investment properties	23,049	19,878
TOTAL VALUE ADDED	2,179,713	2,145,212

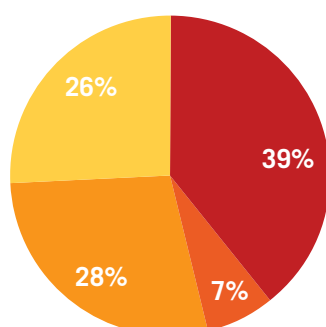
RECONCILIATION:		
Profit for the year	728,394	729,783
Add: Depreciation and amortisation	149,605	129,905
Finance cost	214,560	204,765
Staff costs	895,494	829,091
Taxation	121,649	149,357
Minority Interests	70,011	102,311
TOTAL VALUE ADDED	2,179,713	2,145,212

VALUE DISTRIBUTED		
Employees		
Salaries and other staff costs	895,494	829,091
Government		
Corporate Taxation	121,649	149,357
Providers of capital		
Dividends	316,493	291,822
Finance Costs	214,560	204,765
Minority Interest	70,011	102,311
Reinvestment and growth		
Depreciation and amortisation	149,605	129,905
Income retained by the Group	411,901	437,961
TOTAL DISTRIBUTED	2,179,713	2,145,212

VALUE DISTRIBUTED 2018

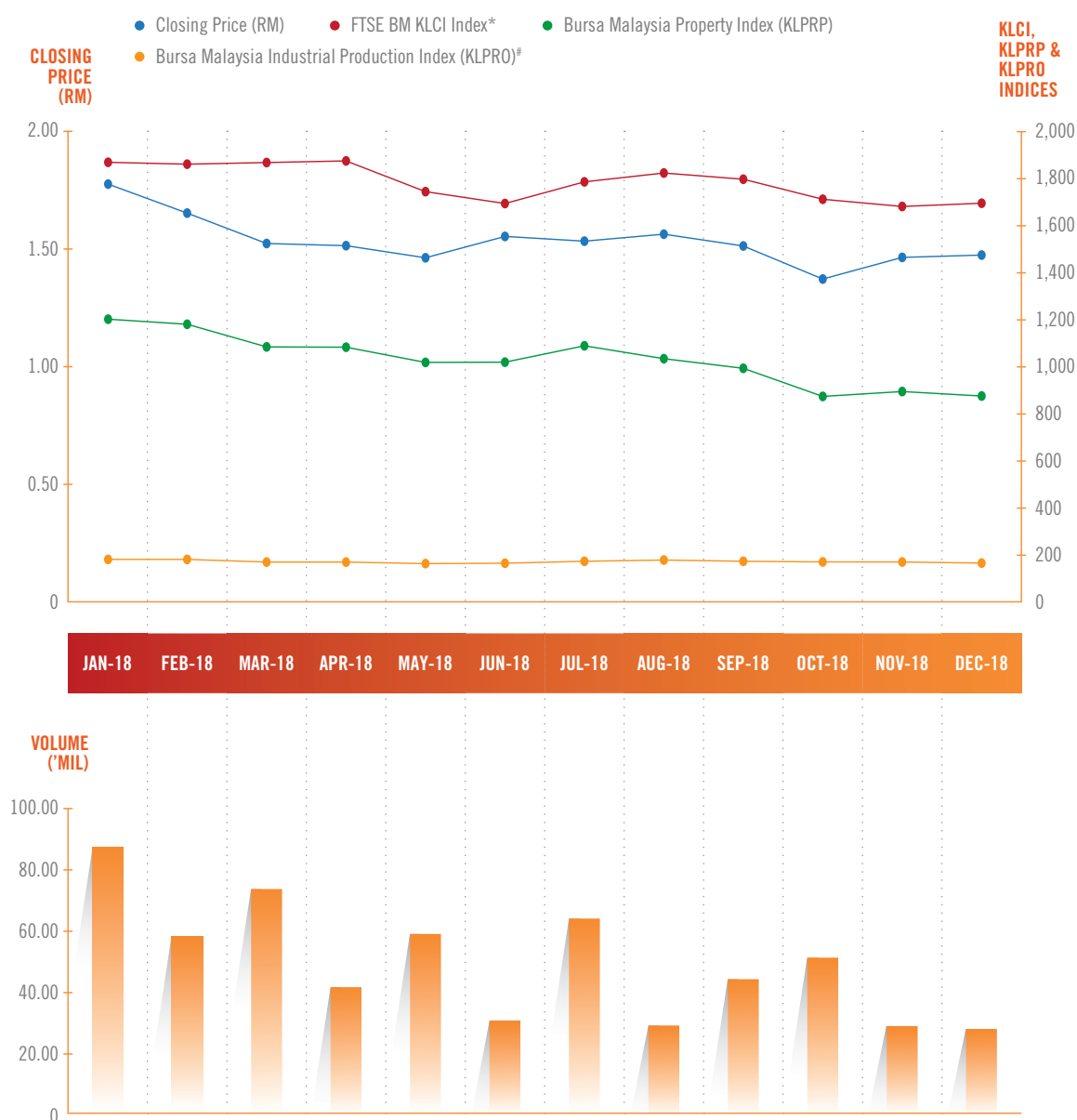


VALUE DISTRIBUTED 2017



- EMPLOYEES
- GOVERNMENT
- PROVIDERS OF CAPITAL
- REINVESTMENT AND GROWTH

SHARE PERFORMANCE



CLOSING PRICE (RM)	1.77	1.65	1.52	1.51	1.46	1.55	1.53	1.56	1.51	1.37	1.46	1.47
VOLUME ('MIL)	87.44	58.40	73.71	41.83	59.11	30.26	63.91	29.55	43.98	51.24	29.01	28.23
FTSE BM KLCI INDEX*	1,868.58	1,856.20	1,863.46	1,870.37	1,740.62	1,691.50	1,784.25	1,819.66	1,793.15	1,709.27	1,679.86	1,690.58
BURSA MALAYSIA PROPERTY INDEX (KLPRP)	1,202.79	1,182.86	1,084.59	1,086.77	1,018.73	1,019.93	1,088.07	1,036.50	997.39	877.15	895.53	876.06
BURSA MALAYSIA INDUSTRIAL PRODUCTION INDEX (KLPRO)*	182.05	180.87	171.48	171.06	164.72	166.33	174.53	181.02	177.56	170.64	170.43	166.49

* Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index

On 24 September 2018, Sunway was reclassified from the Trading / Services sector to the Industrial Products and Services sector, pursuant to Bursa Malaysia Securities' revamp of the sectoral classification for companies listed on the Main Market

FIRST CLASS SERVICE

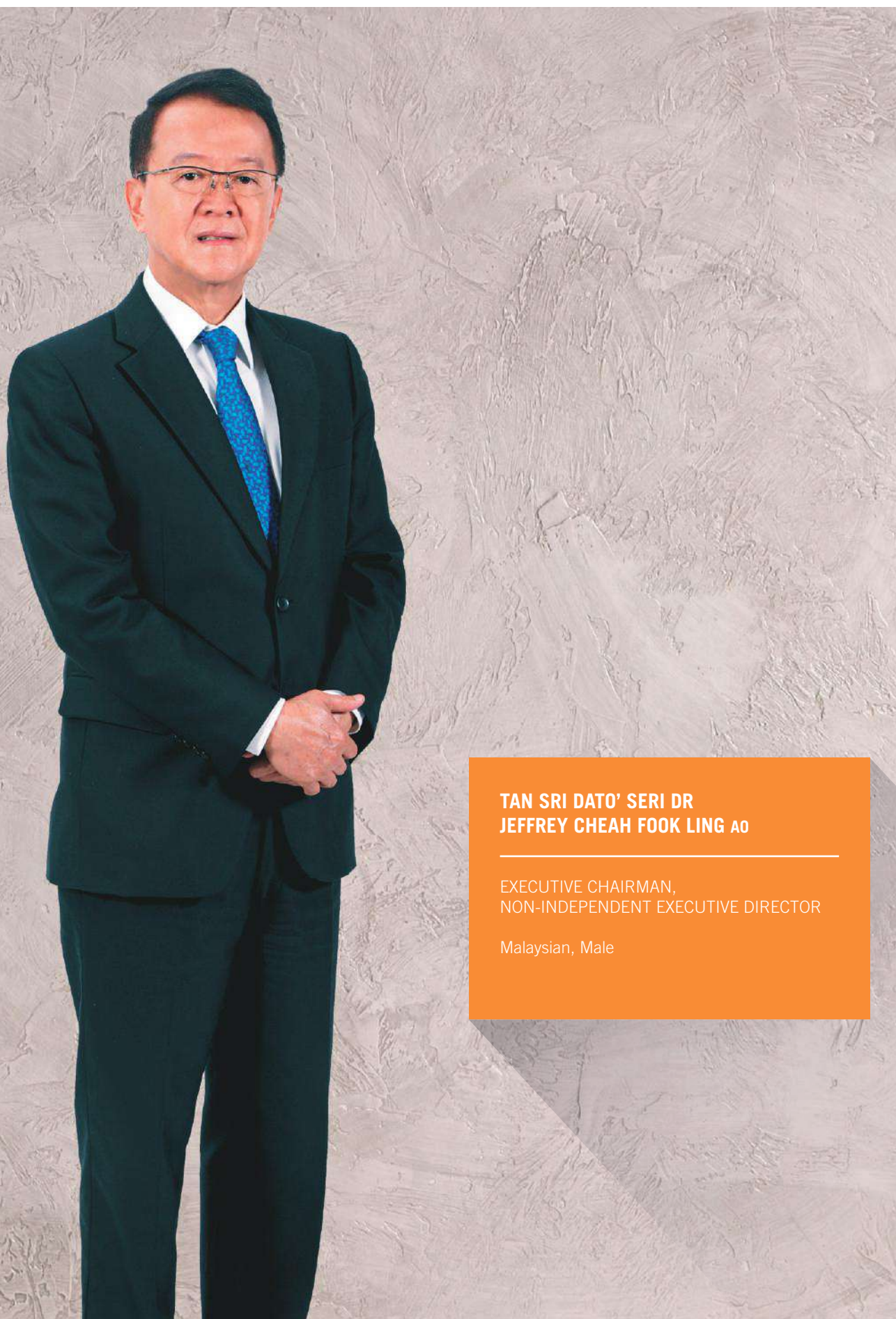
Sunway's Hospitality division owns and operates a diverse portfolio of hospitality assets which includes a cluster of hotels with large scale convention, meeting and exhibition facilities, private villas and a wellness retreat. The division continues to deliver unforgettable experiences to guests visiting its collection of over 3,300 guestrooms, suites and villas.

EXEMPLARY LEADERSHIP

- 84** Profile of Board of Directors
- 96** Profile of Senior Management



PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATO' SERI DR
JEFFREY CHEAH FOOK LING A0**

EXECUTIVE CHAIRMAN,
NON-INDEPENDENT EXECUTIVE DIRECTOR

Malaysian, Male

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO, aged 74, is the Founder and Executive Chairman of Sunway Group, one of Malaysia's largest conglomerates with a multitude of established businesses in more than 50 locations worldwide.

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

He has been conferred ten (10) honorary doctorates by leading universities worldwide. In 2007, Tan Sri Dr Jeffrey Cheah established the eponymous "Jeffrey Cheah Foundation" and in 2010, he transferred his equity in the Sunway Education Group worth RM1 billion today, in perpetuity, to the Jeffrey Cheah Foundation ("JCF"). Sunway Education Group comprises, inter alia, Sunway University, Sunway College, Monash University Malaysia, Jeffrey Cheah School of Medicine and Health Sciences and Sunway International School. JCF was officially launched by the Prime Minister of Malaysia on 18 March 2010 in the presence of its patron, His Royal Highness Sultan of Selangor. JCF has awarded more than RM400 million worth of scholarships and grants to thousands of deserving students as of 2018.

In 2019, Tan Sri Dr Jeffrey Cheah was appointed chairman of the United Nations Sustainable Development Solutions Network (SDSN) Malaysia chapter. Separately, he was awarded the Sin Chew Education Awards – Lifetime Achievement Award for his contribution in education philanthropy and the Jeffrey Cheah Foundation.

In 2018, Tan Sri Dr Jeffrey Cheah was conferred the Malaysian Institute of Management (MIM) Court of Emeritus Fellow, the highest grade of membership accorded to outstanding individuals who have contributed significantly towards the field of management for a host of industries in the country.

In 2017, Tan Sri Dr Jeffrey Cheah spearheaded the signing of agreements between Sunway Group and the Jeffrey Cheah Foundation with the University of Cambridge to establish the Sunway Clinical Research Centre, which is a Regional Site Partner of the University of Cambridge School of Clinical Medicine.

Taking a momentous step forward in the sustainability agenda, Tan Sri Dr Jeffrey Cheah, through the JCF, entered into a partnership with the UN SDSN in 2016 with a gift of US\$10 million towards implementing the United Nations Sustainable Development Goals (SDGs) and advancing sustainable development in Malaysia and Southeast Asia. The partnership established the Jeffrey Sachs Center on Sustainable Development at Sunway University to be a regional hub for research and policy practice, creating world-class programmes to train a new generation of students, practitioners and policy leaders.

In 2016, Tan Sri Dr Jeffrey Cheah became the first Malaysian to receive the Singapore-based Channel News Asia Lifetime Achievement Luminary Award, in recognition of his contributions to the business world and lifelong dedication to sustainable development and education.

In November 2015, Tan Sri Dr Jeffrey Cheah was appointed a member of Putrajaya Higher Education Task Force for a period of 2 years to review and transform the higher education system of Malaysia.

In August 2014, Tan Sri Dr Jeffrey Cheah received a special invitation to be a member of the Global Advisory Council of Harvard University from The President of Harvard University. In recognition of Tan Sri Dr Jeffrey Cheah's continued commitment to Harvard, he was also bestowed the membership on Harvard's COUR- the Committee on University Resources, among a select group of benefactors, to strengthen university resources through the unique power of philanthropy.

In October 2013, Tan Sri Dr Jeffrey Cheah was bestowed The Edge Malaysia Outstanding Property Personality Award 2013 for his meritorious contribution to Malaysia's property industry. His stalwart leadership continues to solidify Sunway's position in the market as an innovative, trusted and reputable property player.

With generous endowments, Tan Sri Dr Jeffrey Cheah through JCF has forged academic ties with Gonville & Caius College in the University of Cambridge (Caius) in November 2014, Harvard University in July 2013, and Brasenose College in the University of Oxford in December 2015, to establish, in perpetuity, the Jeffrey Cheah Professorial Fellowships at each of these institutions to enable a two-way flow of scholars and researchers between the institutions and the institutions of Sunway Education Group.

In February 2013, Tan Sri Dr Jeffrey Cheah was conferred the Honorary Assistant Commissioner of Police title by Malaysia's Inspector-General of Police for his commendable efforts in crime awareness and prevention as Chairman of Malaysia Crime Prevention Foundation (Selangor Chapter).

He received the Honorary Gold Award in 2012, a top honour from the Royal Rotary Club of Kuala Lumpur, in recognition of his leadership and development of education and research in Malaysia. Prior to that, he was conferred the Honorary Fellow 2012 by the Malaysian Scientific Association (MSA) for his meritorious contribution to the development of science education, as well as for his overall contribution in the advancement of science and technology in Malaysia.

In December 2011, Tan Sri Dr Jeffrey Cheah was appointed to Malaysia's education panel to review the nation's education system by the Minister of Education. He is the Founding Trustee of the Board of Mahathir Science Award Foundation, Razak School of Government and the Perdana Leadership Foundation. He is among Malaysia's leading givers who made Forbes Asia's Heroes of Philanthropy list twice in 2009 and 2015 respectively.

In 2008, Tan Sri Dr Jeffrey Cheah was appointed Officer of the Order of Australia ("AO") by the Prime Minister of Australia. AO is one of Australia's most prestigious and highly regarded awards conferred to a non-citizen of Australia. In the same year, he was appointed Chairman of Malaysia Crime Prevention Foundation (MCPF) Selangor Chapter, by the Deputy Prime Minister and Chairman of MCPF Malaysia. He is also the Chairman and Co-Founder of Asian Strategy & Leadership Institute ("ASLI").

PROFILE OF BOARD OF DIRECTORS

Other achievements and appointments of Tan Sri Dr Jeffrey Cheah include:

2017

- Awarded the ASEAN@50 Lifetime Achievement Award by ASEAN Business Advisory Council Malaysia.
- Awarded the inaugural Sustainability Icon Award by RAM.
- Member of the Malaysian Institute of Management (MIM) Court of Emeritus Fellow.
- Appointed a member of the National Productivity Council of Malaysia.

2016

- Recipient of the Victoria University Distinguished Alumni Award.
- Conferred Malaysian Institute of Management's (MIM) Malaysian Leadership Excellence Award.
- Awarded the Channel NewsAsia Lifetime Achievement Luminary Award 2016.

2015

- Founding Chair for the Malaysian 30% Club.
- Conferred Honorary Fellow by the Institution of Engineers, Malaysia (IEM).
- Best Chief Executive Officer for IR (Mid Cap) by the Malaysian Investor Relations Association.

2014

- President's Award by Malaysia Institute of Planners (MIP).
- Prominent Player Award by Construction Industry Development Board (CIDB) Malaysia.

2013

- Appointed as Council Member of United Nations Sustainable Development Solutions Network (UNSDSN).

2012

- Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations.

2007

- Monash University School of Medicine and Health Sciences was named after Tan Sri Dr Jeffrey Cheah in appreciation of his contribution to Monash University Malaysia and Malaysia-Australia bilateral ties.

2006

- His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University.

2002

- Deputy President of National Kidney Foundation of Malaysia.
- First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce.

1999

- Founding Trustee of Malaysian Liver Foundation.

1997

- President of Malaysian Hakka Association (until 2004).
- Council Member of the Financial Reporting Foundation, Malaysia.

1996

- Appointed by the Minister of Education to the Higher Education Council of Malaysia.
- Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing.
- EXCO member of the Malaysian Tourism Action Council.

1990

- Director of National Productivity Centre, Malaysia.

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

Tan Sri Dr Jeffrey Cheah was appointed to the Board of Sunway on 22 November 2010. He also serves as a Member of the Employees' Share Option Scheme Committee of Sunway.

His directorships in other public companies are Jeffrey Cheah Foundation, Razak School of Government and Perdana Leadership Foundation.



DATO' SRI IDRIS JALA

NON-EXECUTIVE CO-CHAIRMAN,
INDEPENDENT NON-EXECUTIVE
DIRECTOR

Malaysian, Male

Dato' Sri Idris Jala, aged 60, graduated from University Sains Malaysia with a Bachelor Degree in Development Studies and Management in 1982. He obtained his Masters Degree in Industrial Relations from Warwick University in 1986.

Dato' Sri Idris Jala is the President and Chief Executive Officer ("CEO") of PEMANDU Associates. Previously, he was Advisor to the Prime Minister, National Transformation Programme and the Managing Director of Big Fast Results (BFR) Institute and CEO of PEMANDU, a unit in the Prime Minister's Department, Malaysia, the organisation tasked with spearheading Malaysia's transition towards high income status by 2020. He also served as Minister in the Prime Minister's Department, Malaysia for 6 years from 2009 to 2015.

He is a renowned transformation guru in turning around companies' performance through his big fast results methodology and transformational strategies that are innovative, rigorous and relevant to today's demands. He has continuously delivered sustainable socio economic reforms which, in 2014, saw Bloomberg place him among the top 10 most influential policy makers in the world.

Dato' Sri Idris Jala is also the Founder and Executive Chairman of The Global Transformation Forum (GTF), the world's singular platform for influential, global leaders to engage and share experiences and best practices on how to drive transformation.

In addition, Dato' Sri Idris Jala is an Expert Resource Speaker at the Harvard Health Leaders' Ministerial Forum and a Visiting Fellow of Practice at the Oxford Blavatnik School of Government. He also served on the Advisory panel for the World Economic Forum (WEF) on New Economic Growth and also on the Advisory Panel of World Bank.

Prior to his Government stint, Dato' Sri Idris Jala was Managing Director/CEO at Malaysia Airlines (MAS) for 3 years. He was brought on board to turn around the airline which was in crisis brought about by a prolonged bout of losses from operational inefficiencies.

Before MAS, he spent 23 years at Shell Group, rising up the ranks to hold senior positions including Vice President, Shell Retail International and Vice President Business Development Consultancy, based in the United Kingdom. This included successful business turnarounds in Malaysia and Sri Lanka.

Dato' Sri Idris Jala was appointed to the Board of Sunway on 11 August 2017. He also serves as a member of the Nomination and Remuneration Committees.

His directorships in other public companies are Malaysia Petroleum Resources Corporation, Johor Petroleum Development Corporation Berhad, Big Fast Results Institute, Talent Corporation Malaysia Berhad, Heineken Malaysia Berhad and Jeffrey Cheah Foundation.

PROFILE OF BOARD OF DIRECTORS

**TAN SRI DATUK SERI
RAZMAN M HASHIM**DEPUTY EXECUTIVE CHAIRMAN,
NON-INDEPENDENT EXECUTIVE
DIRECTOR

Malaysian, Male

Tan Sri Datuk Seri Razman, aged 79, completed his early secondary education in Australia. He studied banking where he became a Member of Australian Institute of Bankers. He has more than 39 years of experience in the banking industry.

Upon his return to Malaysia, Tan Sri Datuk Seri Razman joined Standard Chartered Bank Malaysia Berhad as an Officer Trainee in 1964. Throughout his 34 years of banking experience in Standard Chartered Bank Malaysia Berhad, he served with the bank's offices in London, Europe, Hong Kong and Singapore. In 1994, he was appointed as Executive Director/Deputy Chief Executive of Standard Chartered Bank Malaysia Berhad until his retirement in June 1999. In the same month in 1999, he was appointed as Chairman of MBF Finance Berhad by Bank Negara Malaysia as its nominee until January 2002 when the finance company was sold to Arab-Malaysian Group.

Tan Sri Datuk Seri Razman was appointed to the Board of Sunway on 17 June 2011.

His directorships in other public companies are Jeffrey Cheah Foundation, Marine & General Berhad (Formerly known as SILK Holdings Berhad), Berjaya Land Berhad, Zurich Takaful Malaysia Berhad and Mycron Steel Berhad. He is the Alternate Trustee to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in Perdana Leadership Foundation.

**DATO' CHEW CHEE KIN**

PRESIDENT,
NON-INDEPENDENT EXECUTIVE
DIRECTOR

Malaysian, Male

Dato' Chew, aged 73, graduated with a Bachelor of Economics (Honours) Degree from University of Malaya in 1974. He had attended the Program in Management Development at Harvard Business School in 1980.

Dato' Chew 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 Sunway Group in 1981 as General Manager. In 1984, he was promoted to the Group General Manager (Operations) and was subsequently promoted to Deputy Group Managing Director (Operations) in 1989. In 1995, he was promoted to Group Managing Director and to President in 1999. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Dato' Chew was appointed to the Board of Sunway on 17 June 2011 and he also serves as a Member of the Employees' Share Option Scheme Committee.

His directorships in other public companies are Gopeng Berhad and Sunway Construction Group Berhad.

PROFILE OF BOARD OF DIRECTORS

**SARENA CHEAH YEAP TI H, S.M.S.**EXECUTIVE DIRECTOR,
NON-INDEPENDENT EXECUTIVE
DIRECTOR

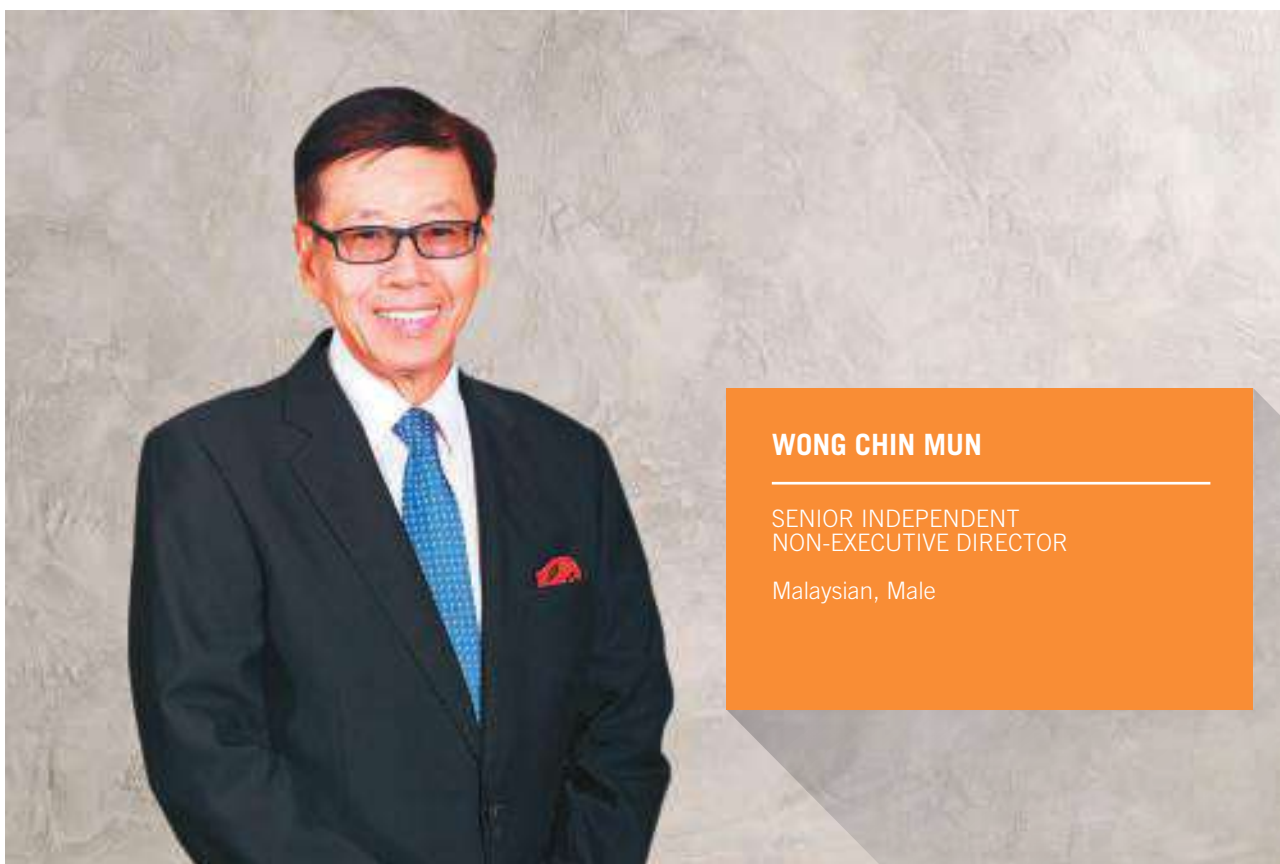
Malaysian, Female

Ms Sarena Cheah, aged 44, graduated with a Bachelor of Commerce (Accounting and Finance) from the University of Western Australia in 1994. She obtained her Masters in Business Administration from Melbourne Business School in 2001 and is also a member of the Association of Chartered Certified Accountants (ACCA) and Capital Markets Services Representative's Licence (CMRSL) holder.

Ms Sarena Cheah started her career with the Sunway Group since 1995 and served under various roles in the Corporate Finance, Internal Audit and Business Development departments. In 2006, she was made General Manager for Sales & Marketing of the Group's Property Development division before assuming the position of Director of Strategy & Corporate Development in 2009, during which she oversaw the successful merger and integration of Sunway Holdings Berhad and Sunway City Berhad. In May 2013, she was appointed as Joint Managing Director of Property Development Division, Malaysia/Singapore and subsequently took on her current position as Managing Director of Property Development Division of Sunway in May 2015. She has led Sunway's property arm to multiple achievements including being ranked as Malaysia's Top Property Developer by The Edge Top Property Developer Awards since 2014.

Ms Sarena Cheah was appointed to the Board of Sunway on 18 November 2010. She serves as a Member of the Employees' Share Option Scheme Committee. She is a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust as well as the Board of Valuers, Appraisers, Estate Agents and Property Manager.

Her directorships in other public companies are SunREIT Capital Berhad, SunREIT Unrated Bond Berhad, SunREIT Perpetual Bond Berhad, Institute of Corporate Directors' Malaysia and Yayasan Raja Muda Selangor.



WONG CHIN MUN

SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

Malaysian, Male

Mr Wong, aged 74, graduated with Bachelor of Business (Accounting) Degree and Bachelor of Business (Secretarial Administration) Degree from Curtin University, Australia in 1972. He is a Fellow of Australian Society of Certified Practising Accountants. He is also a Member of Malaysian Institute of Accountants. He had attended the Senior Executives Program at International Management Imede Development at Lausanne, Switzerland in 1982. He also attended JUSE International Program for Total Quality Control for Top Management in Tokyo by Japanese Union of Scientists and Engineers in 1993. He is a certified senior coach and trainer of Vistage International of U.S.

Mr Wong worked as the Financial Controller/Company Secretary in Yeo Heap Seng Bhd from 1974 to 1975. He then joined Nylex (Malaysia) Berhad ("Nylex") as the Financial Controller/Company Secretary in January 1976 and became the first local General Manager/Director of Nylex in 1980. He was promoted to the position of Managing Director in 1985 and left Nylex at the end of June 1994 to found TEC Asia Centre, an international organisation which aims to help chief executive officers manage change and grow their businesses.

Mr Wong had served on the National Export Council under the Ministry of International Trade & Industry from 1989 to 1992. He also served on the Board of Trustees of Malaysian Rubber Export Promotion Council from 2000 to 2002. Currently, he is the Chairman of the FMM-MIER Business Conditions Survey and a member of the FMM Strategic Policies Committee.

Mr Wong was appointed to the Board of Sunway on 17 June 2011. He also serves as Chairman of the Audit and Employees' Share Option Scheme Committees as well as a Member of the Nomination, Remuneration and Risk Management Committees.

His directorships in other public companies are Khind Holdings Berhad, Scientex Foundation and Scientex Berhad.

PROFILE OF BOARD OF DIRECTORS

**LIM SWE GUAN**INDEPENDENT NON-EXECUTIVE
DIRECTOR

Singaporean, Male

Mr Lim, aged 64, holds a Bachelor of Science (Estate Management) Second Class Honours Degree from University of Singapore and a Master of Business Administration from Darden School of Business, University of Virginia, United States of America. He is a Chartered Financial Analyst and a Member of Chartered Financial Analyst Institute. Among his achievements were the gold medals won from Singapore Institute of Valuers and Singapore Institute of Surveyors.

Mr Lim started his career as a Land Officer in Urban Redevelopment Authority of Singapore in 1979. He was a Director of Jones Lang Wootton Australia from 1989 to 1995 and a Portfolio Manager, Property Division in Suncorp Investment Management in 1995. He joined GIC Real Estate Pte Ltd in 1997 and was a Managing Director of GIC Real Estate Pte Ltd, the real estate investment arm of Government of Singapore Investment Corporation Pte Ltd (now known as GIC Private Limited) before retiring on 18 February 2011.

Mr Lim was appointed to the Board of Sunway on 17 June 2011 and he also serves as Chairman of the Nomination Committee as well as a Member of the Audit, Remuneration and Risk Management Committees.

He has no directorship in other public companies in Malaysia.



TAN SRI DATO' DR. LIN SEE YAN

INDEPENDENT NON-EXECUTIVE
DIRECTOR

Malaysian, Male

Tan Sri Dato' Dr. Lin, aged 79, is an independent strategy and financial consultant. Qualified as a Chartered Statistician, he graduated from the University of Malaya in Singapore and Harvard University (where he received three degrees, including a PhD in Economics). He is also a British Chartered Scientist, London; Professor of Economics (Adjunct), Universiti Utara Malaysia; Professor of International Finance & Business (Adjunct), Universiti Malaysia Sabah as well as an Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC); Royal Statistical Society (London); Malaysian Institute of Bankers; Malaysian Insurance Institute (Hon.); Malaysian Institute of Management and Malaysian Economic Association. He is also a Distinguished Fellow of the Institute of Strategic and International Studies.

Tan Sri Dato' Dr. Lin has a long and distinguished history of service with the Government of Malaysia and the private sector. He was Chairman/President and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. Tan Sri Dato' Dr Lin continues to serve the public interest after his retirement, some current appointments include Member of the Prime Minister's Economic Council Working Group; key member of Steering Committees at the Ministry of Higher Education; member of the Asian Shadow Financial Regulatory Committee; Governor, Asian Institute of

Management, Manila; Director, Monash University Malaysia Sdn Bhd; Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA); President of Harvard Club of Malaysia and Economic Advisor to the Associated Chinese Chambers of Commerce & Industry Malaysia. In addition, he is a Trustee of the Tun Ismail Ali Foundation (PNB), Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, Jeffrey Cheah Foundation and Program Pertukaran Fellowship Perdana Menteri Malaysia.

Tan Sri Dato' Dr. Lin was appointed to the Board of Sunway on 18 March 2015. He also serves as Chairman of Risk Management Committee as well as a Member of the Audit, Nomination and Remuneration Committees.

His directorships in other public companies are Genting Berhad, Wah Seong Corporation Berhad, IGB REIT Management Sdn Bhd (Manager for IGB REIT), Jeffrey Cheah Foundation and Ancom Berhad.

PROFILE OF BOARD OF DIRECTORS



**TAN SRI DATUK DR REBECCA
FATIMA STA MARIA**

INDEPENDENT NON-EXECUTIVE
DIRECTOR

Malaysian, Female

Tan Sri Dr Rebecca, aged 61, graduated from the University of Malaya in 1980 with a Bachelor of Arts (Honours) in English Literature. She received a Diploma in Public Administration from the National Institute of Public Administration (“INTAN”), Malaysia in 1981. She also has an M.S. (Counselling) from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1992. Subsequently, Tan Sri Dr Rebecca obtained her Ph.D from the University of Georgia in Athens in 2000.

Tan Sri Dr Rebecca began her career in the Malaysian Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry. In the course of her civil service career, she had a brief stint as the Chief Administration and Procurement Officer of the ASEAN Plant Quarantine and Training Centre, and contributed to human capital development at the INTAN.

She retired as the Secretary-General of the Ministry of International Trade and Industry (“MITI Sec-Gen”) on 2 July 2016. As MITI Sec-Gen, a post she was appointed to in December 2010, she provided oversight for the formulation and implementation of Malaysia’s international trade policies and positions. This involved Malaysia’s participation in bilateral, regional (ASEAN, APEC, OIC) and multilateral fora (World Trade Organisation), as well as bilateral and regional trade negotiations. On the regional front, she played a key role in ASEAN economic integration and chaired the ASEAN Senior Economic Officials Meeting as well as the ASEAN High Level Task Force for Economic Integration. She was the Chair of the Institute for Democracy and Economic Affairs (IDEAS) and the EU-Malaysia Chamber of Commerce and Industry till 31 December 2018.

In the academic field, in April 2000, she was awarded the Malcolm Knowles Award for the best PhD dissertation in 2000 in the field of Human Resource Development by the American Academy of Human Resource Development. She was also awarded “Professional Achievement Awards by School of Education, University of Georgia (2013)”.

Tan Sri Dr Rebecca currently serves on the Board of Trustees of MyKasih Foundation and took office as an Executive Director of Asia-Pacific Economic Cooperation (APEC) secretariat on 2 January 2019.

Tan Sri Dr Rebecca was appointed to the Board of Sunway on 1 March 2018. She also serves as Chairman of the Remuneration Committee as well as a Member of the Audit, Nomination and Risk Management Committees.

Her directorships in other public companies are RHB Bank Berhad, Hartalega Holdings Berhad, Eco World International Berhad and RHB Investment Bank Berhad.

NOTES:**1. FAMILY RELATIONSHIP WITH DIRECTOR AND/OR MAJOR SHAREHOLDER**

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling who is the Executive Chairman and major shareholder of Sunway, is the father of Sarena Cheah Yean Tih, the Executive Director.

Save as disclosed above, none of the other Directors has any family relationship with any director and/or major shareholder of Sunway.

2. CONFLICT OF INTEREST

Tan Sri Datuk Seri Razman M Hashim is a Director of Berjaya Land Berhad and its subsidiaries, Selat Makmur Sdn Bhd and FEAB Properties Sdn Bhd of which principal activities are similar to Sunway Group, which include property development and investment holding.

Save as disclosed above, none of the other Directors has any conflict of interest with Sunway Group.

3. CONVICTION FOR OFFENCES

None of the Directors has any conviction for offences within the past 5 years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

4. ATTENDANCE OF BOARD MEETINGS

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2018 is disclosed in the Corporate Governance Overview Statement.



Please refer to Corporate Governance Overview Statement for more information.

PROFILE OF SENIOR MANAGEMENT



DATO' TAN KIA LOKE

SENIOR MANAGING DIRECTOR – CHAIRMAN'S OFFICE
MALAYSIAN, MALE

Bachelor of Science (Hon) Degree in Civil Engineering,
University of Strathclyde, United Kingdom

Dato' Tan, aged 68, was appointed as Senior Managing Director to Chairman's Office on 1 January 2015.

He is a Civil Engineer by profession. He joined Sunway Group in 1981. He was the Senior Managing Director of Sunway Construction Sdn Bhd and was appointed as Head of Property and Construction Division on 1 January 2013 after the merger of Sunway Holdings Berhad and Sunway City Behad in August 2011. His key role was to synergise and enhance the full potential values in the Group's core property and construction collaborations. Thereafter, he is re-designated as Senior Managing Director to the Chairman's Office to support the Chairman of Sunway Group in areas of new business ventures, strategic partnerships and collaborations.

In 2006, he was awarded the CEO of the Year by the Malaysian Construction Industry Excellence Award (MCIEA) and he is currently the Honorary Advisor of Master Builders Association Malaysia.

He is also a Board and EXCO Member of Malaysian South-South Corporation Berhad.



EVAN CHEAH YEANN SHIN

EXECUTIVE VICE PRESIDENT - PRESIDENT'S OFFICE,
CHIEF EXECUTIVE OFFICER - CHINA
MALAYSIAN, MALE

Bachelor's Degree in Commerce and Bachelor's Degree in
Business Systems,
Monash University

Mr Evan Cheah, aged 39, was appointed as Executive Vice President – President Office on 1 March 2015.

He 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 Sdn Bhd 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 SunwayMas Sdn Bhd, a property development company within Sunway Group, in charge of operation matters.

In 2011, Mr Evan Cheah was designated Chief Executive Officer of Sunway Group's China operations, responsible for China Corporate Office and the development of new business opportunities for 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 and Information Technology businesses. He was subsequently 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 synergy.

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

He sits on the Board of Sunway Construction Group Berhad.



CHONG CHANG CHOONG

GROUP CHIEF FINANCIAL OFFICER
MALAYSIAN, MALE

Bachelor of Arts (Honours) in Economics and Accounting,
University of Newcastle Upon Tyne, England

Mr Chong, aged 60 was appointed as Group Chief Financial Officer on 1 July 2018.

In 1980, Mr Chong started his career as an Article Clerk in Robson Rhodes, a chartered accountant firm in London. He returned to Malaysia in 1984 and he was a Corporate Banking Officer with Bumiputera Merchant Bankers Bhd. Subsequently, he held various positions in different financial institutions, including John Hancock Life Insurance Berhad and DMG K&N Kenanga Berhad. His last position prior to joining Sunway Group was the General Manager – Investments of Public Mutual Berhad from 1995 to 2004. Under his guidance, Public Mutual Berhad won numerous fund management awards.

Mr Chong joined Sunway Group as the Director of Group Corporate Affairs on 1 December 2010 and he is responsible for overseeing the corporate finance and treasury functions. Upon the listing of Sunway, he was redesignated to Chief Financial Officer of Sunway and subsequently, assumed his current role as Group Chief Financial Officer.

Mr Chong is a Member of Institute of Chartered Accountant in England and Wales and he has more than 20 years of experience in banking, stockbroking, corporate finance and portfolio fund management.

He currently sits on the Board of Gopeng Berhad.



DATO' LEE WENG KENG (DR)

CHIEF EXECUTIVE OFFICER – HEALTHCARE DIVISION
MALAYSIAN, MALE

Bachelor of Economics (Honours) Degree,
University of Malaya;
Masters in Business Administration,
Cranfield University, United Kingdom

Dato' Lee, aged 71 was appointed as Chief Executive Officer – Healthcare Division on 1 June 2005.

Dato' Lee started his career as a secondary school teacher in Sekolah Tunku Abdul Rahman, Ipoh in 1974. He subsequently gained experience in material and logistic management in UMW Corporation Sdn Bhd in 1975 before joining Texas Instruments (M) Sdn Bhd in 1977 where he further enhanced his experience and management skills in logistic, production, operations and general business administration. He was the General Manager (M&C Operations) in Texas Instruments (M) Sdn Bhd before joining Sunway Group.

Dato' Lee joined Sunway Group as General Manager (Operations) in 1994 and he was promoted as Senior General Manager in 1997. He successfully achieved the turnaround of Sunway Keramo Sdn Bhd, a vitrified clay pipes business subsidiary of Sunway and built it into a high quality and profitable company.

Dato' Lee has provided the leadership for growing and developing the business of Sunway Education Group Sdn Bhd. He was appointed Head of Sunway Group Education and Healthcare divisions in 2005 and joined the Board of Directors of Sunway Medical Centre Sdn Bhd in the same year.

He does not have any directorship in public company or public listed company.

PROFILE OF SENIOR MANAGEMENT



CHUNG SOO KIONG

**MANAGING DIRECTOR – CONSTRUCTION DIVISION
MALAYSIAN, MALE**

Bachelor of Science (Hons) Degree in Quantity Surveying,
University of Abertay Dundee;
Diploma in Building (Technology),
Tunku Abdul Rahman College

Mr Chung, aged 51, was appointed as Managing Director – Construction Division on 1 November 2015.

He 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 Sunway Construction Sdn Bhd and served as the Contract Manager of Business Development & Marketing Department. His roles included overall management of the contracts administration and operations, develops action plans to review pre- and post-contract related matters of various projects, responsible for the overall management of business research and development activities to achieve growth and profitability, develops strategies to identify and venture into new potential businesses and/or markets, and continuously improve the policy and procedure with regard to business research and development. Thereafter, Mr Chung acted as the Country Manager/Project Director of Sunway Innopave Sdn Bhd (Abu Dhabi Branch) for the period from 2007 to 2013.

Mr Chung was the Deputy Managing Director of Sunway Construction Sdn Bhd since 2013 before he was promoted to the position as Managing Director of Sunway Construction Group Berhad in November 2015. Mr Chung has over 20 years of experience in the construction sector.

He sits on the Board of Sunway Construction Group Berhad.



WONG FOOK CHAI

**CHIEF EXECUTIVE OFFICER – TRADING AND
MANUFACTURING DIVISION
MALAYSIAN, MALE**

Bachelor of Engineering (Honours),
University of Malaya

Mr Wong, aged 63, was appointed as Chief Executive Officer – Trading and Manufacturing Division on 1 May 2013.

Having more than 30 years of service with Sunway Group, Mr Wong started his career in UMW, a major distributor of heavy equipment in Malaysia. In 1983, he joined Hong Leong Industries Berhad and later Sunway Group as a Product Manager in Sunway Enterprise (1988) Sdn Bhd. In 1985, he was reassigned to the newly formed subsidiary, Sunway Marketing Sdn Bhd (then known as Kanto Trading Sdn Bhd).

Mr Wong was promoted to General Manager in 1990 and assumed the responsibility of the management of Sunway Marketing (S) Pte Ltd. He was promoted to Senior General Manager in 1997, assuming greater responsibilities as Head of Sunway Trading Group of Companies, before attaining the position of Executive Director in 2004. He was subsequently designated as Chief Executive Officer in 2013.

Mr Wong was instrumental in expanding the business to many overseas countries including Singapore, Thailand, Indonesia, China and Australia and also establishing manufacturing companies for some of the products.

He does not have any directorship in public company or public listed company.



LEE CHUAN SENG

CHIEF EXECUTIVE OFFICER - QUARRY DIVISION
MALAYSIAN, MALE

Chartered Accountant,
Chartered Institute of Management Accountants, United Kingdom;
Masters in Business Administration,
Victoria University of Technology, Australia

Mr Lee, aged 51, was appointed as Chief Executive Officer - Quarry Division on 1 February 2018.

He has more than 23 years of experience in the quarrying industry. Prior to this appointment, he was the Chief Operating Officer of Sunway Group's Quarry division, in charge of 6 quarries and 13 asphalt manufacturing plants with annual sales turnover of over RM200 million.

He first joined Sungei Way Quarry Industries Sdn Bhd in 1996 as the Accountant and last served as Commercial Manager (Southern & Eastern Region) of the Sunway-Pioneer joint venture, formed in 1999 when the Group divested its quarrying operations to Pioneer International Limited. In his role as Commercial Manager from 1999 to 2001, he was in charge of 3 core products, namely aggregates, asphalt manufacturing and ready-mixed concrete.

He then took on the role of Financial Controller for Setia Juta Quarry Industries Sdn Bhd in 2001 and held the same position until 2005, when the company was injected into Sunway Holdings Berhad. From there, he progressed to the position of Chief Operating Officer in 2012.

He is a Fellow Member of Chartered Institute of Management Accountants, United Kingdom as well as a Member of Chartered Global Management Accountant and Malaysian Institute of Accountants.

He does not have any directorship in public company or public listed company.



DANNY NG BOON LIANG

CHIEF EXECUTIVE OFFICER – BUILDING MATERIALS
DIVISION
MALAYSIAN, MALE

Bachelor of Economics (Business Administration),
University of Malaya

Mr Danny Ng, aged 59, was appointed as Chief Executive Officer – Building Materials Division on 1 May 2013.

He has 38 years of working experience, including 16 years in quarry operations and road construction for the Quarry division of Sunway Group.

He joined Sunway Group in 1986. He currently oversees the Building Materials division which includes the interlocking concrete pavers and compressed concrete slabs, vitrified clay pipes and jacking pipes and spun piles for Malaysia. He was designated to his current position in 2013.

Prior to this appointment, Mr Danny Ng was the Executive Director of the Sales and Marketing division of Sunway Building Technology Berhad Group of Companies. He was also the Senior General Manager of the Southern Region of Sunway Pioneer Quarry Sdn Bhd and Pioneer Sun-Mix Concrete Sdn Bhd, a former joint-venture company of Sunway Group.

He does not have any directorship in public company or public listed company.

PROFILE OF SENIOR MANAGEMENT



CHAN HOI CHOY

CHIEF EXECUTIVE OFFICER – SUNWAY SHOPPING MALLS AND THEME PARKS
MALAYSIAN, MALE

Bachelor of Science (Hons) degree in Managerial and Administrative Studies,
University of Aston, Birmingham, United Kingdom

Mr Chan, aged 59, was appointed as Chief Executive Officer – Sunway Shopping Malls and Theme Parks on 1 January 2009.

Having spent his entire 35 years of professional career in mall management and development, Mr Chan has acquired extensive experience in general mall management, operations and marketing management. He began his career in Sungei Wang Plaza in 1983 where he spent 11 years with this successful shopping mall before joining Berjaya Starcity (now known as Times Square) as the General Manager, principally responsible for the development of this major shopping mall in the heart of Kuala Lumpur from 1994 to 1999. His next career move was to Sunway Pyramid.

In his current position, he oversees the portfolio of Sunway Pyramid, Sunway Carnival, Sunway Giza, Sunway Putra, Sunway Velocity, Sunway Lagoon and The Lost World of Tambun.

He is the current Advisor of Malaysia Shopping Malls Association (PPK Malaysia) after serving a two-term presidency in advocating the industry interest at both international and national levels. He also serves as the current Advisor of Council of Asian Shopping Centres (CASC).

He does not have any directorship in public company or public listed company.



LAU BENG LONG

MANAGING DIRECTOR - HEALTHCARE DIVISION
MALAYSIAN, MALE

Bachelor of Science (Hons),
Universiti Sains Malaysia;
Masters in Healthcare Administration,
University of New South Wales;
Postgrad Diploma in Public Administration,
National Institute of Public Administration (INTAN)

Mr Lau, aged 64, was appointed as Managing Director - Healthcare Division on 1 August 2011.

He has more than 35 years of experience in the healthcare sector. He currently overlooks the Healthcare division of the Sunway Group and is in charge of Sunway Medical Centre and spearheading the planning and project management of new hospitals and other healthcare facilities in the major cities of Malaysia.

Prior to this, he held executive leadership positions in Pantai Medical Centre (KL) as well as Mount Alvernia Hospital and Assisi Hospice & Home in Singapore. He was also a planning and management consultant for healthcare projects in East Malaysia, Indonesia and UAE. In his early career, he was holding planning and corporate secretarial positions in the Ministry of Agriculture and Harrisons & Crosfield PLC respectively.

Currently, Mr Lau is a volunteer board member of Kasih Hospice (KL) and Mount Miriam Cancer Hospital, Penang.

He does not have any directorship in public company or public listed company.



FOO SHIANG WYNE

CHIEF HUMAN RESOURCES OFFICER – GROUP HUMAN RESOURCES
MALAYSIAN, FEMALE

Bachelor of Science (Hons) in Computer Science,
 University of Sussex, United Kingdom;
 Masters in Business Administration,
 Cardiff Business School, United Kingdom

Ms Foo, aged 47, was appointed as Chief Human Resources Officer – Group Human Resources on 1 January 2015.

She is an experienced Human Resources Practitioner with more than 20 years' extensive experience in various industries such as Pharmaceuticals, Medical Devices, Hospitality and Fast Moving Consumable Goods. Prior to joining Sunway in 2013, she was the Human Resources Director of GlaxoSmithKline for Malaysia, Singapore and Brunei as well as in Johnson & Johnson Medical Devices Division for Malaysia and Indonesia. She was also the Regional Director of Human Resources of Hilton Worldwide, where she managed the overall HR spectrum of 17 properties across South East Asia, and the Regional Learning & Development Manager for NIKE (Southeast Asia) in her earlier career days.

Ms Foo joined Sunway Group in 2013 as the General Manager of Group Human Resources, where she headed the Organization Development and Talent Acquisition functions. In 2015, she assumed her current role where she is responsible for the overall Group Human Resources and Human Resources Shared Services functions.

She is instrumental in formulating strategies to elevate talent and organisational practices at Sunway, including talent acquisition, learning & development and talent management. She spearheaded the women's initiatives, strengthening employer brand through strategic collaboration with top universities locally and abroad, and is currently leading the group-wide HR System Implementation & Transformation across all Businesses within Sunway.

She does not have any directorship in public company or public listed company.

NOTES:

1. Family Relationship with Director and /or Major Shareholder

Evan Cheah Yean Shin is the child of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling who is the Executive Chairman and major shareholder of Sunway and he is the sibling of Sarena Cheah Yean Tih, the Executive Director of Sunway.

Save as disclosed above, none of the other Senior Management members has any family relationship with any director and/or major shareholder of Sunway.

2. Conflict of interest

None of the Senior Management members has any conflict of interest with Sunway Group.

3. Conviction for Offences

None of the Senior Management members has any conviction for offences within the past 5 years other than traffic offences, if any. They have not been imposed any penalty by any relevant regulatory bodies during the financial year 2018.

BUILDING ON TRUST

Sunway's Construction division is a leading contractor that has contributed more than 37 years to nation building. The division is positioned for greater future growth through its Design & Build capabilities, enhancing all aspects of design, build and project management through technology.

SUSTAINABILITY

104 Sustainability at Sunway



SUSTAINABILITY AT SUNWAY



Please refer to Sustainability Report 2018 for detailed information on our sustainability journey.

PUSHING THE FRONTIERS OF SUSTAINABLE DEVELOPMENT

Sustainable development, including socio-economic goals, has been a component of our business framework for over four decades as we expand our global presence and work towards a sustainable future.

Sunway is committed to the United Nations Sustainable Development Goals (UNSDGs) and continues to align its business model, operating strategies and corporate culture with sustainable practices and solutions in line with the UNSDG agenda.

SUSTAINABILITY GOVERNANCE

The Board of Directors has the overall responsibility for sustainability at Sunway and considers economic, environmental, social and governance (EESG) matters in the development of the Group's strategy. EESG matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviour, measure performance and determine remuneration.

Tan Sri Dr Jeffrey Cheah AO, Founder and Chairman of Sunway Group, heads the Group Executive Committee (EXCO). He also oversees the execution of Sunway's sustainable strategy in the day-to-day operations.

SUNWAY SUSTAINABLE DEVELOPMENT DEPARTMENT

The Sunway Sustainable Development Department is responsible for coordinating sustainability initiatives across the Group by integrating principles of sustainable development into the Group's policies, plans, management and operations.



OBJECTIVES OF SUNWAY SUSTAINABLE DEVELOPMENT DEPARTMENT:

- To define the overall sustainability management structure including linkages and responsibilities of the different BU's in Sunway Group
- To cascade the sustainability strategy to all BU's in Sunway Group
- To be the Centre of Excellence for sustainable development initiatives

STRATEGIES / FOCUS AREAS

- Increase awareness amongst internal stakeholders on UNSDGs
- Stabilise accurate data collection on sustainable development initiatives for reporting and analysis
- Consolidate sustainable development initiatives across the Group
- Advise BU's on the use of performance indicators and goal settings for their activities, projects and programmes
- Conduct R&D into new sustainable development initiatives
- Manage partnerships with external and internal stakeholders on sustainable development projects

STAKEHOLDER ENGAGEMENT

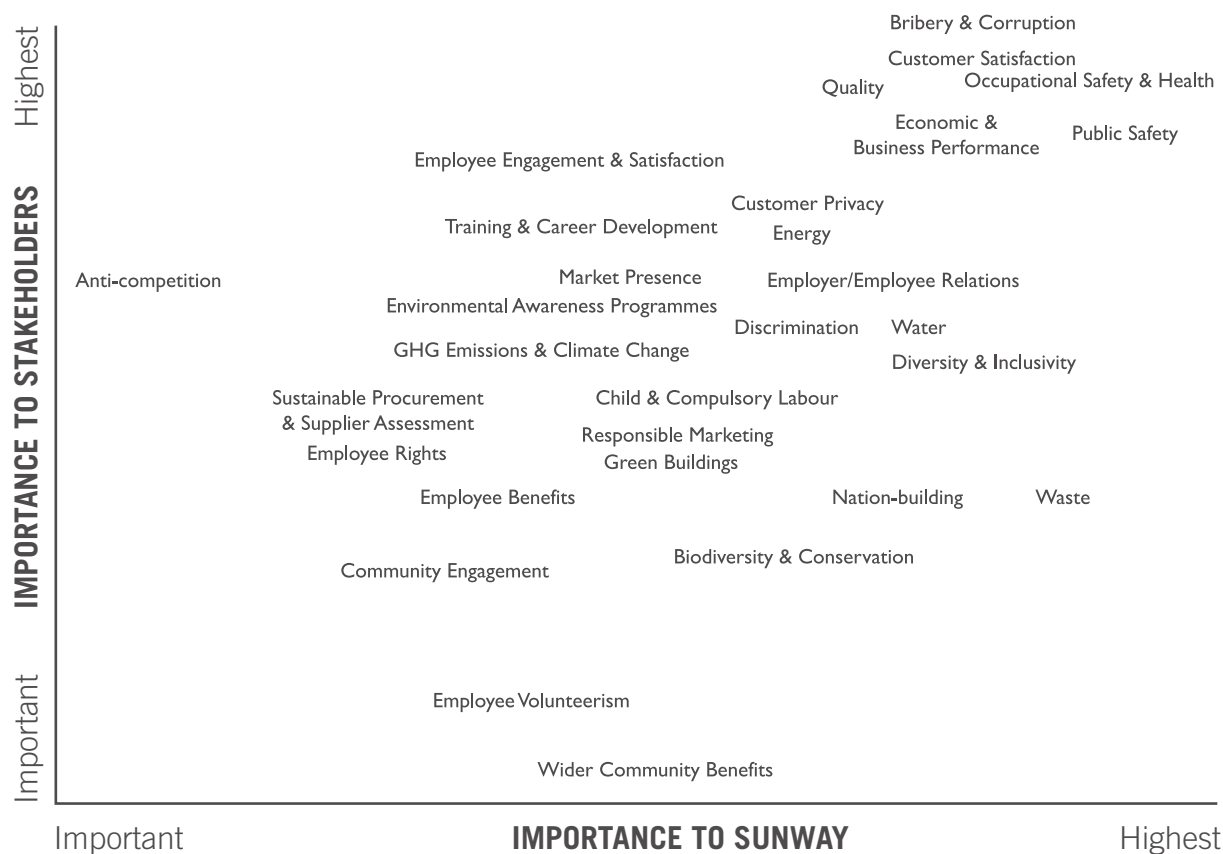
Sunway is committed to stakeholder engagement. Mutual respect, transparent behaviour and open dialogue set the strongest foundations for effective relationships with the different stakeholders we interact with. Our stakeholder engagement approach involves the identification and management of relations with persons, groups or organisations who can be affected by our activities or are capable of having an impact on our business.

Our robust engagement model enables us to connect with both internal and external stakeholders. This approach helps us develop partnerships and become more involved in our communities.

ANALYSIS OF MATERIALITY

An external consultant was commissioned in 2017 to conduct a comprehensive materiality study with all divisions, stakeholder groups and Sunway's Board of Directors. The study identifies the economic, social and environmental topics that are aligned with our #Sunwayforgood agenda and should be prioritised in the report.

The results of the materiality matrix were presented to senior executives across all business units for review prior to the publication of the sustainability report. As the findings were deemed to still be relevant and current, no new materiality study was conducted in 2018.



USE OF THE FINDINGS

The materiality findings guide our business strategy, track issues of concern, prioritise sustainability programmes and establish meaningful metrics against which to measure our performance. We also use the analysis to strengthen the focus and content of our sustainability reporting.



Please refer to Sustainability Report 2018 for more information on Stakeholder Universe and Materiality Assessment.

SUSTAINABILITY AT SUNWAY

#SUNWAYFORGOOD FOR THE ECONOMY

The circular economy is a regenerative system where resource input, waste and leakage are minimised by maximising usage, as well as recovering and regenerating products and materials at the end of each of their service lives.

We live in an age where technology is transforming the world; the effects of technology on the global economy, geopolitics and society can already be seen. The circular economy is increasingly gaining attention in Sunway's business strategy as a way of decoupling growth from resource constraints.

SUNWAY ILABS' STATE-OF-THE-ART MAKERSPACE

Launched in 2017, Sunway Innovation Labs (Sunway iLabs) is a non-profit incubator and accelerator that is a smart partnership between Sunway Group, Sunway University and its corporate venture capital division, Sunway Ventures. Sunway iLabs intends to foster entrepreneurship and stimulate market-driven innovations to drive the nation's competitiveness. It is also a Malaysian Digital Hub™.

During the year, Sunway iLabs also formalised three new international collaborations to provide students and entrepreneurs with additional sources of capital, mentorship and links to international markets. These partnerships were with the European Commission-funded South East Asia Social Innovation Network (SEASIN); the University of California, Berkeley; and Silicon Valley accelerator, A3 Global Collider.

SUNWAY TO INVEST UP TO RM1 BILLION INTO HEALTHCARE BUSINESS

Currently, Sunway Group's Healthcare Division is embarking on an expansion plan that includes the construction of new hospitals throughout Malaysia. The Group will invest approximately RM1 billion in building new hospitals in its integrated townships of Sunway Velocity (Klang Valley); Sunway Damansara (Klang Valley); Sunway Medical Centre at Seberang Jaya (Penang); Sunway City Ipoh (Ipoh); Sunway Iskandar (Johor) and Sunway Valley City (Paya Terubong, Penang).

As South East Asia becomes increasingly popular for medical tourism, Sunway Medical Centre is positioned as a preferred destination with its high medical and technology standards. Being part of Sunway's integrated township concept, Sunway provides premier medical solutions while ensuring the comfort and convenience of patients and their families.

NEW YUNUS SOCIAL BUSINESS CENTRE ("YSBC") AT THE SUNWAY EDUCATION GROUP

In 2018, Nobel Laureate and Founding Chairman of Yunus Centre, Professor Muhammad Yunus, signed a Memorandum of Understanding with Sunway Education Group Founder and Founding Trustee of the Jeffrey Cheah Foundation (JCF), Tan Sri Dr Jeffrey Cheah AO. This agreement covers establishing a YSBC in the Sunway City campus.

Professor Yunus won a Nobel Peace Prize for his work founding the microcredit institution Grameen Bank in 2006. Grameen Bank has disbursed USD24 billion in collateral-free loans to approximately 9 million borrowers to start enterprises that lift them out of poverty. Since being founded in 2008, the Yunus Centre has operated as a think tank for social business, poverty alleviation and sustainability issues.

Through strategic research and the structured implementation of social business, the YSBC will support JCF in community empowerment, well-being and wealth creation.

REMARKABLE CONTRIBUTIONS TO THE TOURISM INDUSTRY

Sunway Group's internationally acclaimed sustainable townships and developments attract 45 million annual visits. Townships including Sunway City, Sunway City Ipoh and Sunway Iskandar synergistically combine world-class residential, healthcare, retail, leisure, education, hospitality, commercial and industrial developments. The transit-oriented integrated destinations encourage prolonged stays and attract tourists from high-yield niche markets, which improve Malaysia's competitiveness as a tourism destination.

SUNWAY UNIVERSITY LAUNCHES MASTER IN SUSTAINABLE DEVELOPMENT MANAGEMENT

In 2016, the Jeffrey Cheah Foundation (JCF) entered into a partnership with the United Nations Sustainable Development Solutions Network Association (SDSN). The partnership led to the establishment of the Jeffrey Sachs Center on Sustainable Development at Sunway University.

The centre is the Southeast Asian base for the United Nations SDSN.

The centre launched its Master in Sustainable Development Management programme in October 2018. JCF is offering a bursary of RM30,000, more than 50% of the RM50,000 fee, for the entire 18-month programme for the first cohort of students.

SUNWAY DEVELOPS WORLD-CLASS ENTREPRENEURS TO BOOST THE NATION'S ECONOMY

On 21 August 2018, Sunway University signed a partnership agreement with the Sutardja Center for Entrepreneurship and Technology (SCET) of University of California Berkeley (UC Berkeley) to:

- Develop Sunway University's entrepreneurship programmes
- Start a bi-directional information exchange in entrepreneurship and technology between Sunway University and SCET

The partnership is a significant step for Sunway University in developing world-class entrepreneurs who will bolster sustainable economic development in Malaysia. Students and faculty members will be able to access some of the world's best knowledge, on-campus resources and unprecedented networking opportunities in the heart of Silicon Valley.

SUNWAY CONSTRUCTION PLAYS ITS ROLE IN ADVANCING THE NATION'S CONSTRUCTION INDUSTRY

Sunway Construction signed a Memorandum of Understanding (MoU) with Malaysia Productivity Corporation (MPC). The MoU covers the development of a 5S Manual and Assessment Criteria that will become a new standard in Malaysia's construction industry.

The 5S Manual and Assessment Criteria have been developed by MPC alongside its Malaysia Business Excellence Framework (MBEF). Previous MPC QE/5S certifications were only applied to the manufacturing industry and this will be the first time in construction.

#SUNWAYFORGOOD FOR THE ENVIRONMENT

At Sunway, we are committed to minimising the environmental impact of our operations, from the energy and resources we consume to the waste we generate. Each business unit within the Group sets clear targets for the efficient use of resources with a particular focus on energy, water and waste reduction. We are also working to extend environmental standards throughout our supply chain.

KEY GREEN HIGHLIGHTS

- Sunway City is Malaysia's first fully integrated green township with 40% green and home to more than 150 species of flora and fauna
- Sunway City is 100% accessible by foot through canopied and pedestrian walkways
- RM5 million spent on landscaping and the beautification of Sunway City
- Styrofoam-free Initiative
- Recycling programme
- Combined generation plant for Sunway City which uses natural gas to generate electricity, chilled water and hot water
- Construction of a water treatment plant in Sunway South Quay which produces approximately 10,000m³ of water for the commercial buildings within Sunway City
- All Sunway-owned buildings in Sunway City are 100% smoke-free

GREEN GROWTH AND SUSTAINABLE DEVELOPMENT

Sunway is committed to boosting economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies.

We continue to advocate green developments by creating structures and using processes that are environmentally responsible and resource-efficient throughout a building's life-cycle including siting, design, construction, operation, maintenance, renovation and deconstruction. This is especially important as we apply our unique 'Build, Own, Operate' business model.

#SUNWAYFORGOOD FOR OUR SOCIETY

As a responsible conglomerate and contributing corporate member of society, Sunway strives to have a real and meaningful impact on society and the lives and well-being of people. We continue to contribute to the development of strong and sustainable economies through direct and indirect societal development programmes.

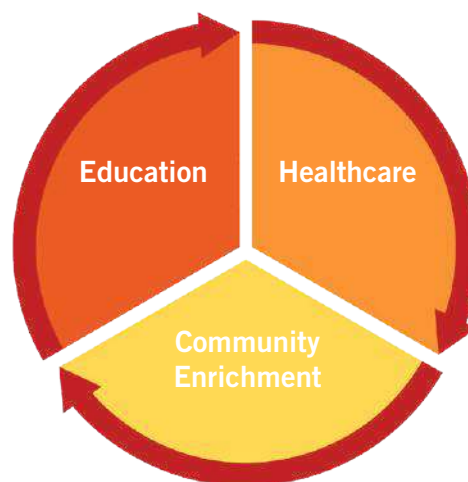
BUSINESS WITH A HEART

Sunway Berhad received the Best CR Initiatives award for companies with a market capitalisation below RM10 billion at The Edge Billion Ringgit Club (BRC) 2018 award ceremony for the second time.

#Sunwayforgood is intertwined with Sunway's core values of Integrity, Humility and Excellence. It encapsulates our sustainability and social responsibility efforts as we strive to create a positive and far-reaching impact on the nation and mankind. We actively engage with stakeholders and the communities we serve through initiatives that advance economic, environmental and social progress. This approach helps deliver sustainable growth for thriving communities.

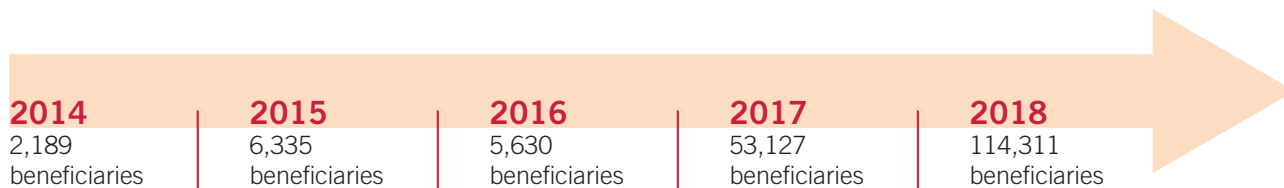
#Sunwayforgood is also our pledge that Sunway will continue to do good, and stand alongside Malaysians, for good.

Sunway champions sustainability through three key focus areas — Education, Healthcare and Community Enrichment projects.



SUSTAINABILITY AT SUNWAY

OUR PROLIFERATING BENEFICIARIES - #SUNWAYFORGOOD PEOPLE RECEIVING AID



CHAMPIONING EDUCATION

JEFFREY CHEAH FOUNDATION

The Jeffrey Cheah Foundation (JCF) is a unique, first-of-its-kind structure in Malaysia and within the field of private academic institutions and entities. It is governed by a distinguished board of eleven trustees under the royal patronage of HRH the Sultan of Selangor.

The Foundation has awarded in excess of RM402 million worth of scholarships to more than 39,000 deserving students to date. These scholarships provide opportunities that meet the academic and special talent requirements of students attending Sunway University, Sunway College and other academic institutions of the Sunway Education Group (SEG).

JCF also provided Community Scholarships, which have benefited 202 deserving students since its introduction in 2002.

In 2018, JCF disbursed RM72 million worth of scholarships, which is the highest scholarship disbursement amount since its inception in 2011.

#SUNWAYFORGOOD FOR OUR PEOPLE

Sunway strives for excellence in everything it does from delivering quality products to developing its most important asset — its people. Employees are equipped with the right skills to assume leadership roles while being mindful of work-life balance.

People are the bedrock of our continuous value creation. We will continue to lead with passion to boost our workforce of 16,000 and excel in all endeavours.

INCLUSIVE CULTURE. DIVERSE TALENT. INSPIRED INNOVATION

Diversity and inclusion are integral to Sunway's core values. We are committed to providing an inclusive environment in which all employees can thrive.

We are passionate about the individuals who make up our company. All leaders and colleagues are responsible for maintaining an environment where employees can reach their full potential. Valuing diversity and inclusion is key to this mindset.

A truly collaborative working environment is essential for our continued growth as a diversified conglomerate with a multitude of businesses.

MEASURING EMPLOYEE ENGAGEMENT LEVELS

Employee engagement is measured by assessing three fundamental pillars of individual behaviour.

Aon Hewitt is appointed to gather feedback from our employees each year. Our engagement model does not merely measure employees' engagement with each of these drivers. Areas for improvement are also identified based on their potential impact on engagement and business performance. Sunway's overall employee engagement score has increased progressively.

SAY

Speak positively about the organisation to coworkers, potential employees and customers

STAY

Have an intense sense of belonging and desire to be part of the organisation

STRIVE

Are motivated and exert effort toward success in their job and for the company

KELAB SOSIAL SUNWAY (KSS)

KSS supports both the Group's sustainability agenda and independent activities. Sunway employees from the Central Region, Ipoh, Penang and Johor Bahru take part in KSS's various sports and recreational activities. Fitness, disaster relief, donations and sustainability initiatives are also conducted.

KSS OBJECTIVES

- Supports the Group's CSR activities
- Strengthens the relations of Sunway Business Units
- Fosters family ties and creates camaraderie between Sunway employees

CAREER DEVELOPMENT

Sunway is committed to continuous learning and development. In 2018, the Group launched the pilot phase of the Excellence in Career and Leadership (ExCel@Sunway) to support Sunwayians in their leadership and career development. This platform identifies growth areas in leadership, facilitates more frequent and meaningful career conversations with leaders and delivers more personalised learning opportunities and a focused development journey.

VALUING OUR EMPLOYEES

Recognition is the key to employee loyalty. Top global talent is attracted and retained with competitive compensation. Our compensation and benefits exceed or are in accordance with local laws.

Sunway's salary structure is reviewed annually in line with general industry practice. Periodic benchmarking checks that our cash and total remunerations are competitive.

Our Total Reward Statements communicate the overall value of each individual employee's financial rewards such as base pay, incentives and employee benefits. Employees have also enjoyed the benefits of the Employees' Share Option Scheme (ESOS).

Sunway Long Service Awards reinforce best behaviours, highlight achievements and appreciate employees for their efforts and dedication.

#SUNWAYFORGOOD OPERATIONS

Sunway aims to be present in the lives of many, bringing change for a better future, through its sustainability initiatives. As an industry leader, we aim to make a difference and are responsible for changing the community for the better through our values.

SUSTAINABLE TOWNSHIP BUSINESS MODEL

Several aspects are considered when developing a comprehensive township from choosing a location to planning and selecting amenities for the residents' convenience. Sunway Property has a unique approach to its community master plan. Centred on a sustainable business model — 'Build, Own, Operate' — the masterplan essentially encompasses a full real estate value chain.

This model allows Sunway to remain the largest stakeholder in its townships enabling the Company to deliver its commitment to the lifelong growth of Sunway community and recycle capital into the townships for sustainable growth.

Sunway invests in the community by building connectivity, ensuring safety and security and enhancing environmental sustainability. This helps the townships to grow for the benefit of the residents.

A SAFE SUNWAY

Sunway's Safe City initiative allows its communities to live, learn, work and play while being healthy and safe in a well-connected environment. Our in-house security force conducts 24-hour joint patrols with Royal Malaysian Police personnel across Sunway City as part of this initiative.

The township, including Sunway-owned buildings, is also equipped with more than 3,000 24-hour CCTV cameras. Our 1,100-strong security force personnel include 600 auxiliary police who have completed intensive training at the Malaysian Police Training Centre.

FOR A HEALTHIER, CLEANER AND SAFER SUNWAY CITY

Sunway aims to protect members of the public from exposure to second-hand smoke to create a healthier, cleaner and safer environment for everyone. The Ministry of Health appointed a team of auxiliary police to educate and enforce a zoned smoking policy in the 800-acre township of Sunway City. Polis DiRaja Malaysia (PDRM) also support this initiative.

Letters of empowerment have been awarded to a team of trained auxiliary police. From 16 September 2018, they were authorised to issue summons to those caught smoking in no-smoking zones. Under the Control of Tobacco Product (Amendment) Regulations 2017, offenders could face a maximum fine of RM10,000 or up to two years' imprisonment. This move will help non-smokers avoid risks associated with second-hand smoke.

TRADING ON AN INTERNATIONAL LEVEL

Sunway's Trading and Manufacturing division markets a wide range of hoses and fittings, heavy equipment parts, heavy equipment, building materials and industrial hardware. The division serves close to 13,000 active customers across a diverse range of industries from its strategic and vast distribution points throughout Malaysia, Singapore, Thailand, Indonesia, China, and Australia.

GOVERNANCE WITH INTEGRITY

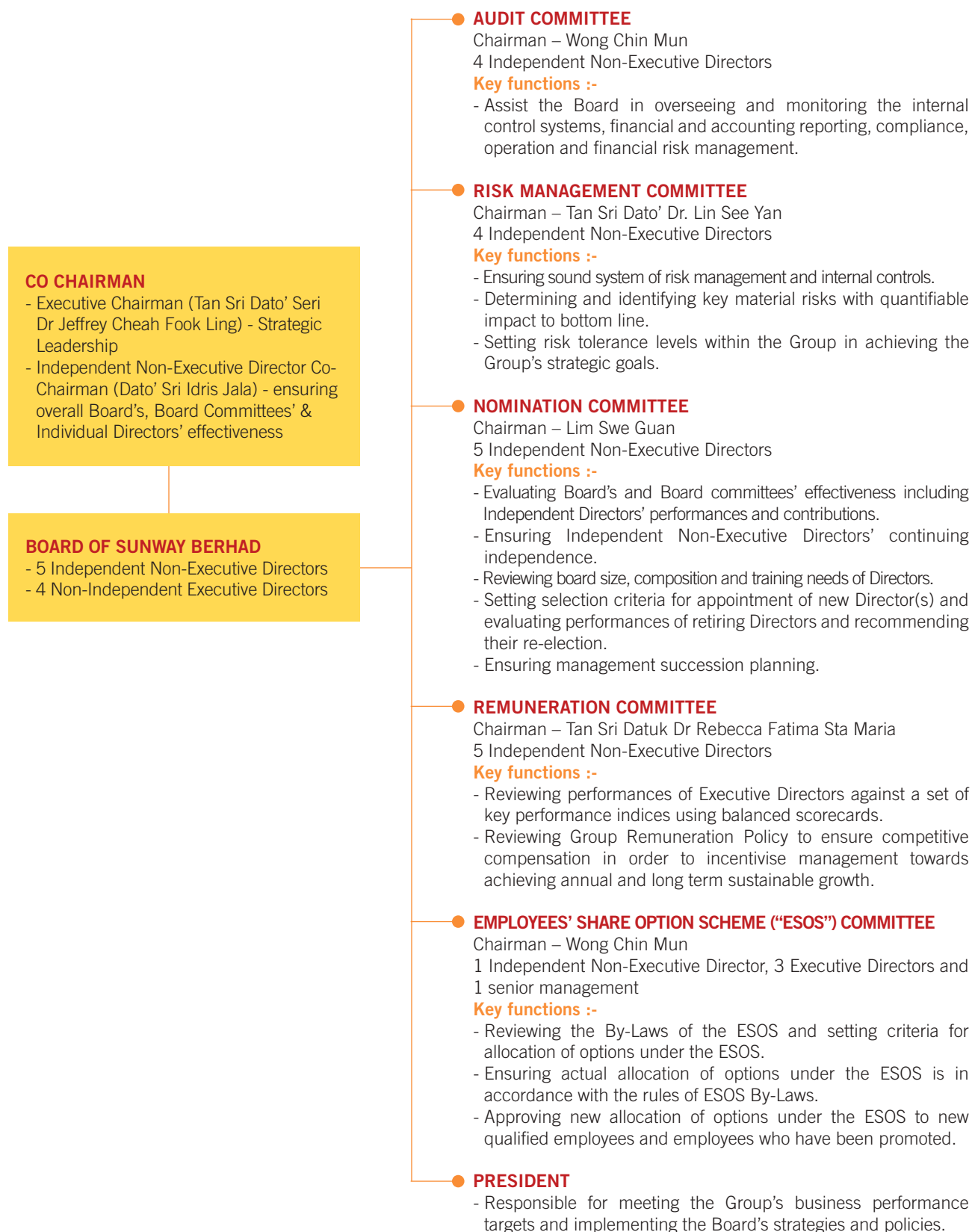
- 112** Corporate Governance Overview Statement
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CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE GOVERNANCE FRAMEWORK OF SUNWAY BERHAD

The Board of Directors (“**Board**”) of Sunway Berhad (“**Company**”) operates within the following governance framework in order to systematically fulfil its roles and responsibilities under the Companies Act 2016, Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as all relevant laws and regulations. The relevant Board Committees are empowered by the Board to assist the Board in providing oversight over specific aspects of the governance process.



The Board aspires to uphold good corporate governance in all that it does. The Company will continue to place emphasis on ensuring responsible and sustainable business practices as well as adhering to the highest levels of corporate integrity throughout the Group in line with its core values of integrity, humility and excellence.

The Group is committed to the United Nations 17 Sustainable Development Goals (**SDG**), and continues to align its business strategies to meet the needs of its communities in line with the SDG agenda. The Group's commitment to strong Economic, Environment and Social practices is embedded throughout the organization – from its policies and social impact initiatives to day-to-day operations so that it delivers enduring growth for thriving communities. The ultimate objective is to achieve good financial performance of Sunway Group in order to fuel long term sustainable growth and thereby, enhancing shareholders' value.

This Corporate Governance Overview Statement provides an overview on how the Company has applied the Principles and the extent of compliance with the recommendations of good corporate governance as set out in the Malaysian Code on Corporate Governance ("**CG Code**") throughout the financial year ended 31 December 2018 and up to the date of this annual report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board aspires to create value for the shareholders and ensure long term success of the Group by focusing on formulation of appropriate strategy, business model, risk tolerance, management succession planning and development of competitive compensation plan. It also seeks to align the interests of the Board and management with that of shareholders and balance the interests of all stakeholders. In addition, the Board sets the principles of business ethics and core values for the entire Group.

The Board oversees the entire business affairs of the Group. It is responsible for formulating and reviewing the Group's strategic plan and direction, performance objectives, business plans of each operating units, budgets, capital expenditures, investment proposals, compliance and accountability systems, core values and corporate governance practices of the Group to ensure that the Group operates with integrity and in compliance with the rules and regulations. The Board also appoints the chief executive officer, approves policies and guidelines on remuneration as well as the remuneration for the Board and key senior management. It additionally approves the appointment of Directors. In ensuring management continuity, the Board also oversees the long term succession planning for senior management.

In discharging its roles and responsibilities, the Board is guided by its Board Charter which outlines the duties and responsibilities of the Board and the delegated day-to-day management of the Group to the President. This formal structure of delegation is further cascaded by the President to the management team. The President and management team remain accountable to the Board for the authority that is delegated and for the performance of the Group. The Board Charter has been reviewed by the Board on 21 August 2018 to be in line with the CG Code.

There is a clear segregation of roles and responsibilities between the 2 Co-Chairman i.e. between the Executive Chairman and the Independent Non-Executive Co-Chairman as well as the President in order to ensure a balance of power and authority as defined in the Board Charter.

The Executive Chairman provides leadership to the Board and guidance to the Group. The Independent Non-Executive Co-Chairman chairs the board meetings, sets the agenda items, promote active engagement among Directors as well as between the Board and the President. He ensures the smooth functioning of the Board including the effectiveness of the overall governance systems and processes. The President is subject to the control of the Board and focuses on the Group's businesses and manages the day-to-day operations of the Company as well as implements the Board's decisions. The positions of the Executive Chairman, Independent Non-Executive Co-Chairman and President are held by different individuals.

In respect of potential conflicts of interest, the Board is satisfied that there is no undue influence involved in all related party transactions. All such transactions were independently scrutinized by the Audit Committee to ensure that they complied with the Listing Requirements of Bursa Securities and the shareholders' mandate on recurrent related party transactions. All potential conflicts of interest were disclosed to the Board and recorded in the minutes with interested Directors abstaining from all deliberations and decision making.

The Independent Non-Executive Directors regularly engage in discussion with senior management, Group Internal Audit Department ("**GIAD**"), Group Risk Management team, External Auditors and other relevant parties to ensure that the concerns and issues raised in regard to the business operations of the Group are properly addressed on a proactive basis.

The Board also delegates certain responsibilities to the Board Committees, all of which operate within their defined terms of reference. Notwithstanding this, the Board remains responsible for its fiduciary duties.

The Board has a formalized code of conduct and business ethics policy ("**Code**") which provides an ethical framework to guide actions and behaviors of all Directors and its employees while at work.



Connect to more information online at www.sunway.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Senior Independent Director is appointed to co-ordinate the activities of the Independent Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to assure effective corporate governance in managing affairs of the Board and the Company. He will also be available to shareholders if they have concerns relating to matters where contacts through the Chairman, President or Group Chief Financial Officer has failed to resolve them, or where such contact is inappropriate.

The Company also has in place a Whistleblowing Policy and Procedures. The objective of this policy and procedure is to provide a mechanism for all level of employees and stakeholders of the Group to report concerns about any suspected wrongdoing, inappropriate behavior or misconduct relating to fraud, corrupt practices and/or abuse on a timely basis for management action.

Any employee or member of the public who has knowledge or is aware of any improper conduct within the Group is encouraged to disclose through the following reporting channels:

Whistleblowing hotlines

Tel: +603 5639 8025

E-mail: whistleblowing@sunway.com.my

Fax: +603 5639 8027

Further details of the Code of Conduct and Whistleblowing Policy and Procedures are set out in the Corporate Governance Report ("**CG Report**"). The Code, Whistleblowing Policy and Procedures as well as the CG Report are available at the Company's website at www.sunway.com.my.



Connect to more information online at www.sunway.com.my

In addition, all Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries attend all Board meetings and are accountable directly to the Board, through the Chairman of the Board, on all matters to do with the proper functioning of the Board, including compliance with the Company's constitution, Companies Act 2016, Listing Requirements, the Securities Commission Guidelines, etc. The Company Secretaries are associate members of the Malaysian Institute of Chartered Secretaries and Administrators. The appointment and removal of the Company Secretaries are subject to the approval of the Board. All Directors, whether as a full Board or in their individual capacity, have the authority to obtain independent professional advice, when necessary, at the Company's expense.

All Independent Non-Executive Directors have access to the President and/or senior management should there be any explanations or clarifications needed on any aspects of the Group's operations or management issues.

BOARD COMMITTEES

The Board has set up the following committees and will periodically review their terms of reference and operating procedures. The Committees are required to report to the Board on all their deliberations and recommendations, if any. Such reports are also incorporated into the minutes of the Board Meetings.

A) AUDIT COMMITTEE

The details are disclosed under Principle B: Effective Audit and Risk Management.

B) NOMINATION COMMITTEE

The Nomination Committee comprises exclusively Independent Non-Executive Directors. The Chairman of this Committee is Mr Lim Swe Guan. The other members of the Committee are Dato' Sri Idris Jala, Tan Sri Dato' Dr. Lin See Yan, Tan Sri Datuk Dr Rebecca Fatima Sta Maria and Mr Wong Chin Mun. Datuk Seri Yam Kong Choy who did not seek re-election as Director at the Eighth Annual General Meeting of the Company, had resigned as a member of the Committee with effect from 21 June 2018.

The main role of the Nomination Committee is to ensure that the Board comprises Directors with appropriate skills, knowledge, expertise and experience, as well as to ensure a proper balance of Executive Directors and Independent Non-Executive Directors.

In discharging its responsibilities, the Nomination Committee has developed a set of criteria used for recruitment and for annual Board assessment. In evaluating the suitability of the Board members, the Nomination Committee considers, inter alia, the competency, experience, commitment, contribution and integrity of the candidates. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the Nomination Committee would also assess the candidate's independence in accordance with Paragraph 1.01 and Practice Note 13 of the Listing Requirements of Bursa Securities.

The terms of reference of the Nomination Committee are set out at the Company's website.



Connect to more information online at www.sunway.com.my

During the financial year, four (4) meetings were held to deliberate on the following matters:-

(i) At the meeting held on 28 February 2018, the Nomination Committee deliberated on the following matters:

- The Committee interviewed Tan Sri Datuk Dr Rebecca Fatima Sta Maria who was nominated for appointment as an Independent Non-Executive Director of the Company. Having satisfied with her qualification, experience, competencies and time commitment as well as confirmation of her independence, the Committee had recommended her appointment to the Board for approval. The Board had subsequently approved her

appointment as an Independent Non-Executive Director of the Company as well as a member of the Nomination Committee, Audit Committee, Remuneration Committee and Risk Management Committee.

- The Committee reviewed the results of the Board effectiveness assessment, Board Committees assessment, Audit Committee assessment, assessment of Independent Non-Executive Directors and Directors' peers review for the financial year 2017. Based on the aforesaid assessment, the Nomination Committee was satisfied with the effectiveness and performances of the Board, Board Committees and the individual Directors.
- The Committee reviewed and was satisfied with the existing size, structure and composition of the Board committees. At the meeting, the Committee requested for a Board skills matrix to be prepared to identify the skill gap in the Board as a basis of evaluation for future recruitment of new Director(s).
- The Nomination Committee evaluated and was satisfied with the competencies and time commitment of the Board members as well as the independence of the Independent Directors. The Independent Directors had individually confirmed their continued independence in accordance with the Listing Requirements of Bursa Securities.
- Having discussed the training requirements of the Directors, the Committee encouraged the Board members to attend specific training programmes in order to keep themselves abreast with the rapidly changing regulatory environment and financial reporting standards.
- The Committee assessed the performances of the following retiring Directors for re-election at the Eighth Annual General Meeting of the Company held on 21 June 2018:
 - Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Mr Lim Swe Guan and Datuk Seri Yam Kong Choy were subject to retirement by rotation pursuant to Article 107(1) of the Company's Articles of Association, and
 - Dato' Sri Idris Jala was subject to retirement pursuant to Article 90 of the Company's Articles of Association.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Mr Lim Swe Guan and Dato' Sri Idris Jala offered themselves for re-election. However, Datuk Seri Yam Kong Choy did not wish to seek for re-election and had subsequently, retired as Director upon conclusion of the Annual General Meeting.

Based on the peer review assessment and the Executive Directors' performance scorecards of the retiring Directors, the Nomination Committee subsequently recommended them to the Board and shareholders for re-election at the Eighth Annual General Meeting of the Company held on 21 June 2018. The resolutions to re-elect the said Directors were subsequently approved by the shareholders at the Annual General Meeting.

(ii) At the meeting held on 21 March 2018, the Nomination Committee reviewed and endorsed the Nomination Committee report to be included in the Company's Annual Report 2017. It also endorsed Tan Sri Datuk Dr Rebecca Fatima Sta Maria's re-election as Director at the Eighth Annual General Meeting of the Company as she was subject to retirement pursuant to Article 90 of the Company's Articles of Association. Tan Sri Datuk Dr Rebecca Fatima Sta Maria had offered herself for re-election. The resolution on her re-election was subsequently approved by the shareholders at the Annual General Meeting.

(iii) At the meeting held on 21 August 2018, the Nomination Committee reviewed and approved the methodology for evaluation of Board Effectiveness, Board Committees' effectiveness as well as assessment of the Independent Non-Executive Directors and Directors' Peers Review. It also reviewed its terms of reference to be in line with the CG Code.

(iv) On 21 November 2018, the Nomination Committee was updated on management succession plan by the Chief Human Resources Officer. The potential successors to each key management position in the organization was tabled for deliberation. The Nomination Committee received assurance that all candidates appointed to the senior management positions were of sufficient calibre and there was a plan in place to track their readiness in order to provide orderly succession of senior management.

The Group Human Resource Department has a systematic program to identify, train/mentor the next echelon of future leaders. The Committee conducts an annual talent review with the Chief Human Resources Officer as well as reviewing succession planning for key management positions across all business units. The identified successors for top management will be presented to the Committee for review and endorsement on an annual basis. Currently, all senior management have one or more potential successors in one or more of these stages i.e. ready now, ready soon or ready later.

The Nomination Committee had also approved its schedule of meetings for 2019 at the said Meeting.

The details of attendance of the Committee members are as follows:-

Name of Committee Members	Number of Meetings Attended
Lim Swe Guan	4/4
Dato' Sri Idris Jala	3/4
Wong Chin Mun	3/4
Tan Sri Dato' Dr. Lin See Yan	4/4
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	3/3*

* reflects the number of meetings held during the time the Director held office.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C) REMUNERATION COMMITTEE

The details of the composition of the Remuneration Committee, its scope of responsibilities, meetings and summary of activities are disclosed in the CG Report.



Connect to more information online at www.sunway.com.my

D) EMPLOYEES' SHARE OPTION SCHEME ("ESOS COMMITTEE")

The Employees' Share Option Scheme ("ESOS") was established in 2013 as an incentive plan for the employees to participate more actively in the operations of the Group and encourage them to contribute to the future growth of the Group. It is also to motivate, reward and to retain the eligible employees for their contribution to the Group.

The ESOS Committee comprising Mr Wong Chin Mun as Chairman, Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Dato' Chew Chee Kin, Ms Sarena Cheah Yean Tih and Ms Foo Shiang Wyne, is responsible for implementing, allocating and administering the ESOS in accordance with such powers and duties conferred upon it under the By-Laws of the ESOS. The terms of reference of the ESOS Committee are set out at Sunway website.

The Committee did not hold any meeting during the financial year as the share options have been fully allocated to the eligible employees.



Connect to more information online at www.sunway.com.my

E) RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established on 29 August 2017 to oversee the Company's risk management framework and policies. The Committee comprises exclusively Independent Non-Executive Directors. The Committee is headed by Tan Sri Dato' Dr. Lin See Yan as Chairman. The other members of the Committee are Mr Wong Chin Mun, Mr Lim Swe Guan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Tan Sri Datuk Dr Rebecca Fatima Sta Maria was appointed as a member of the Committee on 1 March 2018. Datuk Seri Yam Kong Choy who did not seek re-election as Director at the Eighth Annual General Meeting of the Company, had resigned as a member of the Committee with effect from 21 June 2018.

During the financial year, five (5) meetings were held. In the quarterly meetings held on 28 February 2018, 21 May 2018, 21 August 2018 and 21 November 2018, the Committee had reviewed and discussed on the top key risks identified for the Group with the risk management working team.

In the meeting held on 21 March 2018, the Committee had reviewed and approved the Statement of Risk Management and Internal Control for inclusion in the Annual Report 2017. It had reviewed its terms of reference at the meeting held on 21 August 2018.



Please refer to Statement of Risk Management and Internal Control for more information.

The Committee had also invited the profit centre manager of Healthcare, Property as well as Sunway Property and Facility Management Divisions to present their key business risks and action plans at its meetings held on 21 May 2018, 21 August 2018 and 21 November 2018 respectively.

II. BOARD COMPOSITION

The Board of the Company comprised majority Independent Directors with an Executive Chairman and an Independent Non-Executive Co-Chairman. It comprises nine (9) members, five (5) of whom are Independent Non-Executive Directors and the balance four (4) are Non-Independent Executive Directors.

In accordance with the corporate governance best practices, Mr Wong Chin Mun was appointed as Senior Independent Non-Executive Director on 23 April 2014, to whom concerns relating to the affairs of the Group may be directed at. He serves as the point of contact between the Independent Non-Executive Directors and the Executive Directors on matters that may be deemed sensitive and the designated contact to whom the shareholders may direct their concerns or queries.

The Board recognised the benefits of having a diverse Board for a well-functioning leadership team to strengthen its strategy formulation and risk management by adding varying perspectives and insights. This will enhance the overall credibility of the Group.

The Board composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, economics, real estate development, property management and human capital development. This combination of different professions, experiences and skills working together enables the Board to effectively lead and control the Company. A brief profile of each Director is presented on pages 84 to 95 of this Annual Report.

The Board through the Nomination Committee conducts an annual review of the structure and composition of the Board, competency and time commitment of the Board as well as the independence of the Independent Directors. It also undertakes an annual assessment of the Board effectiveness, the Board committees and the individual Directors via self and peer assessment. Based on the results of the assessments made, the Board was generally satisfied with its efficiency and decision making effectiveness, the performance of the various Board committees and the individual Directors' contributions.

The Board has a policy whereby an Independent Non-Executive Director who has reached the threshold of 9 years' tenure will be re-designated as Non-Independent Non-Executive Director, unless he or she has obtained shareholders' approval to be retained in the Board as Independent Non-Executive Director. If the Board continues to retain the Independent Director after the twelfth year, annual shareholders' approval must be sought through a two-tier voting process. This is to facilitate the Board's renewal and hence, enhancing its effectiveness.

As at the date of this report, the Board has yet to fulfil the requirement of 30% gender diversity. The Board is cognisant of this requirement and will continue to actively search for a suitable and qualified woman director to join the Board.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board Meetings by attending most of the Board meetings held during 2018. Their meeting attendance at Board and Board committees' meetings is evidenced by the attendance record set out in the table below.

Directors	Board Meeting	Audit Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	ESOS Committee Meeting	Risk Management Committee Meeting
EXECUTIVE DIRECTORS						
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	7/7	N/A	N/A	N/A	-	N/A
Tan Sri Datuk Seri Razman M Hashim	7/7	N/A	N/A	N/A	N/A	N/A
Dato' Chew Chee Kin	7/7	N/A	N/A	N/A	-	N/A
Sarena Cheah Yean Tih, s.m.s.	7/7	N/A	N/A	N/A	-	N/A
INDEPENDENT NON-EXECUTIVE DIRECTORS						
Wong Chin Mun	6/7	5/5	3/4	3/4	-	5/5
Dato' Sri Idris Jala	5/7	N/A	3/4	3/4	N/A	N/A
Lim Swe Guan	7/7	5/5	4/4	4/4	N/A	5/5
Tan Sri Dato' Dr. Lin See Yan	7/7	5/5	4/4	4/4	N/A	5/5
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	5/5*	4/4*	3/3*	3/3*	N/A	4/4*

* reflects the number of meetings held during the time the Director held office.

In order to ensure the Directors have sufficient time to fulfil their roles and responsibilities effectively, the Board has agreed that one of the criteria for potential new directors is that they must not hold more than five (5) directorships in public listed companies. This enables them to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. It is incorporated in the Company's Board Charter that a Director is required to seek prior consent from the Chairman of the Board before he or she accepts any new directorship outside the Group. The Company Secretary will monitor the number of directorships and the changes, if any, of each Director and report to the Board during the Board meetings.

The Board recognizes the importance of training and development for the Directors to enhance their skills and knowledge to meet the challenges of the Board. The role to review the training and development needs of the Directors has been delegated to the Nomination Committee.

During the financial year, all the Directors had attended various training programmes and seminars organised by the relevant regulatory authorities and professional bodies to broaden their knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

The training programmes, seminars and workshops attended by the Directors during the financial year were, inter alia, on areas relating to corporate leadership and governance, finance, property market, economic trends, strategic planning, risk management, latest technologies and sustainable development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

TRAINING PROGRAMMES, SEMINARS AND WORKSHOPS ATTENDED BY DIRECTORS

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	<ul style="list-style-type: none"> • UBS Philanthropy Conference 2018 ^ - Legacy and Philanthropy: Collaborating for Social Change (UBS) 	31 May 2018
	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018
Dato' Sri Idris Jala	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018
Tan Sri Datuk Seri Razman M Hashim	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018
Dato' Chew Chee Kin	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018
Sarena Cheah Yean Tih, S.M.S.	<ul style="list-style-type: none"> • The Edge Investment Forum on Real Estate 2018 ^ - Opportunities in a challenging market (City & Country) 	7 April 2018
	<ul style="list-style-type: none"> • Asian Capital Market: Navigating Challenging Times - US Market and the WTO Trade War, Asian Liquidity, Fin Tech & Digitalisation (IABT Advanced in Business Training Sdn Bhd) 	12 September 2018
	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018
	<ul style="list-style-type: none"> • Portfolio Management (MARC Training Sdn Bhd) 	8 November 2018
Wong Chin Mun	<ul style="list-style-type: none"> • 2018 ChairWorld - The Art of Contracting - Design Alliances to Create Robust and Productive Relationships - Building and Creating Brand Loyalty and Awareness, Competitive Positioning in Market Superior Customer Care (Vistage International, USA) 	28 January 2018 and 29 January 2018
	<ul style="list-style-type: none"> • CE-16 Group Meeting - How to conduct Effective Selection Interviews (Vistage Malaysia Sdn Bhd) 	16 March 2018
	<ul style="list-style-type: none"> • CE-16 Group Meeting - The Leader's Voice (Vistage Malaysia Sdn Bhd) 	23 March 2018
	<ul style="list-style-type: none"> • Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	5 October 2018

NAME OF DIRECTORS	COURSE TITLE / ORGANISER	DATE
Lim Swe Guan	<ul style="list-style-type: none"> AsiaPac Property Leaders Summit 2018 - Beyond Disruption > Real estate opportunities in the digital world (APREA) 	7 May 2018 to 8 May 2018
Tan Sri Dato' Dr. Lin See Yan	<ul style="list-style-type: none"> TN50: The Road Ahead * (Jeffrey Cheah Institute on Southeast Asia, Jeffrey Sachs Center on Sustainable Development (Sunway University) & Transformasi Nasional 2050) JCI Forum - Economic Performance Anxieties in East Asia > The Southeast Asia Situation^ (Jeffrey Cheah Institute on Southeast Asia) Key Amendments to Listing Requirements arising from Companies Act 2016 (CKM Advisory Sdn Bhd) Sunway Leaders Conference 2018 - Lead, Innovate, Sustain 2.0 (Sunway Group) 	12 January 2018 20 March 2018 31 May 2018 5 October 2018
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	<ul style="list-style-type: none"> Beyond Compliance : Ethics & Governance in the New Malaysia # (Global Institute and Federation of Public Listed Companies Berhad for Tomorrow) 	1 August 2018 to 2 August 2018

* Attended as discussant

^Attended as speaker

#Attended as keynote speaker

III. REMUNERATION

The Group recognizes that in order to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experiences, skills and responsibilities as well as benchmarking against industry's standards. In view of this, the remuneration package for Executive Directors and directors' fees for Non-Executive Directors were determined by benchmarking against remuneration packages of relevant position with similar industry and business size. It is structured on the basis of linking rewards to corporate and individual performance. The performance and remuneration package of the Executive Director is subject to evaluation of the Remuneration Committee.

For Independent Non-Executive Directors, the level of remuneration reflects their experience, level of responsibilities and industry's benchmark as well as complexity of the Group's businesses. The remuneration of Independent Non-Executive Directors consists of fixed directors' fees per annum and meeting allowances for every Board or Board Committee meeting attended.

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

The details of the Directors' remuneration for the financial year 2018 are disclosed in the CG Report which is available in the Company's website at www.sunway.com.my.



Connect to more information online at www.sunway.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee comprises four (4) members who are all Independent Non-Executive Directors. The members of the Audit Committee are Mr Wong Chin Mun as Chairman, Tan Sri Dato' Dr. Lin See Yan, Lim Swe Guan and Tan Sri Datuk Dr Rebecca Fatima Sta Maria. Tan Sri Datuk Dr Rebecca Fatima Sta Maria was appointed as a member of the Committee on 1 March 2018. Following his retirement as Director of the Company at the Eighth Annual General Meeting, Datuk Seri Yam Kong Choy had resigned as a member of the Committee with effect from 21 June 2018. The Chairman of the Audit Committee is not the Chairman of the Board.

The Company has a policy requiring a former key audit partner to observe a cooling-off period of at least 2 years before being appointed as a member of the Audit Committee.

In the assessment and selection of the External Auditors, the Audit Committee is guided by the Policy on Selection of External Auditors. It also monitors the provision of non-audit services by the External Auditors to ensure that the non-audit services fees do not exceed 50% of the total audit fees payable to them.

During the year, the Audit Committee assessed the audit quality, suitability, effectiveness and independence of the External Auditors and ensures that the provision of other non-audit services by the External Auditors was not in conflict with their audit function. The annual assessment of the External Auditors encompassed areas such as objectivity and independence, competency, quality of services, communication and interaction, audit planning, delivery, fees and adequacy of resources. The outcome of the assessment was tabled to the Audit Committee on 21 March 2018. There were no major concerns highlighted in the External Auditors Assessment Report. The Audit Committee was generally satisfied with the performance of the External Auditors for the financial year ended 31 December 2017. Therefore, the Audit Committee had recommended for shareholders' approval at the Eighth Annual General Meeting of the Company held on 21 June 2018, the proposed re-appointment of BDO as External Auditors for the financial year 2018.

The External Auditors will rotate their engaging partner in charge of the audited financial statements of the Company and the Group once every seven (7) years to maintain their independence from the Group in accordance with the Malaysian Institute of Accountants' By-Laws. Nevertheless, the current audit engagement partner has held the position for only four (4) years. However, the Board also has an option of rotating an audit firm once every five (5) years pursuant to the Group's policy.

In addition, the External Auditors will be invited to attend the Company's Annual General Meeting/Extraordinary General Meeting(s) and will be available to answer any questions from the shareholders on the conduct of the statutory audit and the contents of the audited financial statements as well as any corporate exercise undertaken by the Group where the External Auditors are involved.

The Audit Committee has also considered the non-audit services provided by the External Auditors during the financial year. Details of the audit and non-audit fees paid and/or payable to the External Auditors for the financial year ended 31 December 2018 are shown in the table below.

FEES PAID AND/OR PAYABLE TO EXTERNAL AUDITORS OR ITS AFFILIATES	FYE 2018	
	COMPANY (RM'000)	GROUP (RM'000)
Statutory audit and related fees	292	3,121
Non-audit fees	18	22
Total	310	3,143

The Audit Committee's performance is reviewed annually by the Nomination Committee. The evaluation covered key aspects such as the members' financial literacy levels, ability to pose probing questions, competencies in grasping complex issues and skills to discharge their duties under its terms of reference. Based on the assessment for 2018, the Board was satisfied with the performance of the Audit Committee. The Audit Committee members had also attended various training programmes and seminars to broaden their knowledge and to keep abreast with the relevant progress and changes in law, regulations, internal control systems and the risk environment in which the Company operates.



Please refer to Audit Committee Report for more information.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is assisted by the Risk Management Committee in identifying, mitigating and monitoring the critical risks highlighted by the Business Divisions. GIAD which is in-charge of the internal audit function, assists the Audit Committee in reviewing, evaluating and monitoring the effectiveness of the Group's governance, risk management and internal control processes.

Based on the annual evaluation conducted, the Audit Committee was satisfied with the performance of GIAD for the financial year 2018.



Please refer to Statement of Risk Management and Internal Control for more information.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company is committed to continuously disclose and disseminate comprehensive and timely information to its shareholders as well as to the general investing public in its effort to strengthen its relationship with the shareholders.

The Company has in place a Corporate Disclosure Policy which serves as a guide to enhance awareness among the employees of corporate disclosure requirements. The policy outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, response to market rumours and adverse or inaccurate publicity and restrictions on insider trading.

The Company also has put in place an internal policy on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakages and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

The communication channels used in the Company's engagement with its stakeholders include:-

- a) The Company's website;
- b) Establishment of an investor relations division;
- c) Announcements via Bursa LINK;
- d) Annual reports;
- e) General meetings;
- f) Investors, analysts and media briefings; and
- g) Domestic and overseas roadshows and investors conference.

II. CONDUCT OF GENERAL MEETINGS

The Board recognizes the importance of shareholders' participation in general meetings and encourages such participation. The Annual General Meeting of the Company provides the principal forum for dialogue and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutional at general meetings on clarifications of pertinent and relevant information is encouraged.

In 2018, the Company served notice of its Eighth Annual General Meeting more than 28 days before the meeting, well in advance of the 21-day requirements under the Companies Act 2016 and the Listing Requirements of Bursa Securities. The additional time given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report 2017 and to make necessary arrangements to attend the meeting. The Company also distributed together with the notice of Annual General Meeting, information on administrative details such as details of the meeting, shareholders' entitlement to attend the meeting, their right to appoint proxy and information as to who may act as a proxy, etc.

The Chairman provided ample time for the Questions and Answers sessions in the said general meetings. All the Directors together with the President, Group Chief Financial Officer, management and External Auditors were present to respond to all queries raised. All suggestions and comments given by the shareholders were also noted by management for consideration.

In addition, any written queries raised by the Minority Shareholder Watchdog Group would be presented to the shareholders at the general meetings together with the Group's response.

In line with the Main Market Listing Requirements of Bursa Securities, the Company had implemented poll voting for all the resolutions set out in the notice of the general meetings. The poll voting was conducted via electronic means and the results of the voting were instantly displayed on the screen. The Company has appointed an independent external scrutineer to validate all the votes at the said general meetings.


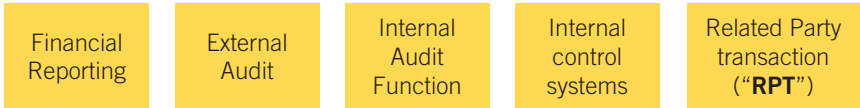
This Corporate Governance Overview Statement was approved by the Board of Directors on 21 March 2019.



DATO' SRI IDRIS JALA
INDEPENDENT NON-EXECUTIVE CO-CHAIRMAN

AUDIT COMMITTEE REPORT

The Board of Sunway Berhad is pleased to present the Audit Committee Report which provides insights into the manner in which the Audit Committee (“AC”) has discharged its oversight functions during the financial year ended 31 December 2018.

	TERMS OF REFERENCE
CHAIRMAN	
COMPOSITION	<ul style="list-style-type: none"> Independent Director, who is not the Chairman of the Board At least 3 members Must be Independent Directors Membership qualification Financially literate No alternate Director
KEY FUNCTIONS	
PERFORMANCE REVIEW	<ul style="list-style-type: none"> Annual Evaluation by the Board Self and Peer Evaluation by the AC

TERMS OF REFERENCE

The scope of responsibilities of the AC is outlined in its terms of reference which is set out at Sunway website at www.sunway.com.my.



Connect to more information online at www.sunway.com.my

COMPOSITION

The AC assists the Board to review, assess and to recommend proposals relating to financial and accounting records, internal controls, RPT and policies as well as financial reporting practices of Sunway Group.

The AC comprises four (4) members, all of whom are Independent Non-Executive Directors and is chaired by a Senior Independent Non-Executive Director. Members of the AC during the financial year ended 31 December 2018 comprised the following Directors:-

1. Wong Chin Mun – Chairman
(Senior Independent Non-Executive Director)
2. Tan Sri Dato’ Dr. Lin See Yan
(Independent Non-Executive Director)
3. Lim Swe Guan
(Independent Non-Executive Director)

4. Tan Sri Datuk Dr Rebecca Fatima Sta Maria
(Independent Non-Executive Director)
(Appointed w.e.f. 1 March 2018)
5. Datuk Seri Michael Yam Kong Choy
(Independent Non-Executive Director)
(Retired on 21 June 2018)

The composition of the AC complied with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the principles and practices set out in the Malaysian Code on Corporate Governance 2017 (“MCCG 2017”):

MMLR

REQUIREMENTS	COMMENTARY
Paragraphs 15.09(1)(a) & (b) of MMLR	<ul style="list-style-type: none"> The AC comprises 4 members, all of whom are Independent Non-Executive Directors who satisfy the test of independence under the MMLR.
Paragraph 15.09(1)(c) of MMLR	<ul style="list-style-type: none"> Mr Wong Chin Mun is a Fellow of Australian Society of Certified Practising Accountants and a member of Malaysian Institute of Accountants.

MCCG 2017

BEST PRACTICES	COMMENTARY
Practice 8.1 of MCCG 2017	<ul style="list-style-type: none"> Mr. Wong Chin Mun is not the Chairman of the Board.
Practice 8.2 of MCCG 2017	<ul style="list-style-type: none"> Since the incorporation of the Company on 10 November 2010, none of the Directors were former key audit partners.
Practice 8.3 of MCCG 2017	<ul style="list-style-type: none"> The AC has policies and procedures to assess the suitability, objectivity and independence of the external auditor.
Practice 8.4 of MCCG 2017	<ul style="list-style-type: none"> The AC comprises solely of Independent Directors.
Practice 8.5 of MCCG 2017	<ul style="list-style-type: none"> All members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. They have attended various training programmes, conferences, seminars and courses organised by the relevant regulatory authorities and professional bodies on areas relevant to the Group's businesses, Directors' roles, responsibilities, effectiveness and/or corporate governance issues.

The Board, through its Nomination Committee ("NC") has on 28 February 2018, reviewed the terms of office of the AC members and found it to be adequate. The NC also assessed the performance of the AC as well as the members' skills set, experiences and competencies through an annual internal AC Evaluation and AC Members' Self and Peer Evaluation surveys facilitated by the Company Secretary. The Board was satisfied with the performance of the AC and its members in which, they have discharged their functions and carried out their duties and responsibilities in accordance with the terms of reference of the AC.

MEETINGS AND ATTENDANCE

The AC held five (5) meetings in 2018. The attendance records of the AC members are shown below:-

NAME	MEMBERSHIP	ATTENDANCE (ATTENDED/ HELD)	% OF ATTENDANCE
Wong Chin Mun	Chairman	5/5	100%
Tan Sri Dato' Dr. Lin See Yan	Member	5/5	100%
Tan Sri Datuk Dr Rebecca Fatima Sta Maria	Member	4/4*	100%
Lim Swe Guan	Member	5/5	100%

* reflects the number of meetings held during the time the Director held office.

The President and Group Chief Financial Officer were invited to attend all the meetings to provide clarification on audit issues as well as the Group's financial and business operations. The Head of GIAD attended all the meetings and was responsible for presenting quarterly internal audit reports and the annual audit plan. The External Auditors, Messrs BDO, were present at two (2) of the total meetings held. Senior Management officers from the respective business units were invited to attend the meetings as and when necessary to brief the AC on specific issues raised in the internal audit reports on matters relating to their areas of responsibility.

The minutes of each AC meeting were recorded and tabled for adoption at subsequent AC meetings and thereafter, all minutes of AC meetings were presented to the Board for discussion and notation. The Chairman of the AC reported the AC's recommendations to the Board for its consideration and implementation as well as highlighted the significant matters and resolutions deliberated by the AC to the Board at its immediate subsequent meeting.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2018, the AC carried out the following activities in the discharge of its functions and duties as per its terms of reference:-

1. OVERSEEING FINANCIAL REPORTING

(a) Quarterly Financial Results

At the AC Meetings held on 28 February 2018, 21 May 2018, 21 August 2018 and 21 November 2018, the AC reviewed and discussed with Management, the respective quarterly management accounts and quarterly financial results, taking into consideration that the necessary processes and controls were in place in the preparation of the financial reports.

At each of the meetings, the Group Chief Financial Officer presented the financial reports and confirmed to the AC, the following matters:

- i) The accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of new or amended accounting standards that were effective for the financial year 2018;
- ii) There were no significant and unusual issues other than those reported in the financial statements;
- iii) The Company and the Group continue to operate as going concern; and
- iv) The accounting standards, regulatory and other legal requirements had been complied with in the preparation of the financial statements.

The AC reviewed the quarterly financial results and focused its attention on the accuracy of the reported financial figures and explanations to material variances or movements during the relevant quarters. The AC was satisfied that the unaudited quarterly financial results had been prepared in accordance with MMLR and the relevant approved accounting standards so as to give a true and fair view of the financial position of the Company and of its financial performance and cash flows for each quarter. The AC's recommendations were presented to the Board for approval at each subsequent Board meetings for release to Bursa Securities.

(b) Audited Financial Statements

On 21 March 2018, the AC together with the External Auditors and Management, deliberated on the audited financial statements for the financial year ended 31 December 2017. The AC discussed the significant audit findings, key audit matters raised by the External Auditors and the adoption of new accounting standards in the audited financial statements.

At the aforesaid meeting, the Management and the External Auditors confirmed that the draft audited financial statements was prepared in accordance with the relevant accounting standards and legal requirements. Thereafter, the AC recommended the same for the Board's approval and subsequent tabling at the Eighth Annual General Meeting of the Company held on 21 June 2018.

(c) Accounting standards and other relevant regulatory requirements

The AC also reviewed and took note of the changes and amendments to the regulations, accounting standards and other regulatory requirements tabled by the External Auditors and the Group Chief Financial Officer which had a material financial impact on the Company's financial reports such as MFRS 15 *Revenue from Contracts with Customers* which came into effect on 1 January 2018.

2. ASSESSING RISKS AND CONTROL ENVIRONMENT

(a) The AC reviewed the adequacy and effectiveness of the internal controls and risk management framework and the appropriateness of Management's responses to key risk areas and proposed recommendations for improvements to be implemented.

(b) On 28 February 2018, the AC also reviewed the internal control system as reported by the External Auditors in the course of their statutory audit of the financial statements for the financial year ended 31 December 2017. At the meeting, the External Auditors reported that there were no significant weaknesses in the Group's internal control systems.

(c) On 21 August 2018, the AC was briefed by GIAD on the corporate liability provision introduced by the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACCA 2018**") together with a proposal for a comprehensive framework and procedures to prevent corruption in the Group.

3. EVALUATING THE INTERNAL AND EXTERNAL AUDIT PROCESS

(a) Internal Audit

(i) The AC approved GIAD's 2018 Annual Audit Plan at the meeting held on 28 February 2018. The 2018 Audit Plan was developed using a risk based audit methodology where business units and processes were selected for audit based on risk assessments carried out periodically by GIAD. The AC reviewed the adequacy and relevance of the scope and resources allocated for the plan and subsequently, approved the plan and its proposed audit timetable and the budgeted man-hours.

The 2018 Audit Plan was also reviewed on a quarterly basis taking into account any developments which had an impact on the audit coverage.

GIAD's audit engagements for 2018 were mainly carried out in the following key business components:-

- Property Development Projects;
- Leisure – Theme Parks;
- Healthcare;
- Trading and Manufacturing;
- Hospitality;
- Major overseas subsidiaries; and
- Information Technology (IT) Systems.

(ii) The AC reviewed the results of audit engagements carried out by GIAD at the AC Meetings held on 28 February 2018, 21 May 2018, 21 August 2018 and 21 November 2018 as well as discussed the major findings and audit recommendations. The AC also reviewed the status of implementation of corrective actions taken by Management to ensure appropriate remedial actions were taken on a timely basis to address all areas of risk and internal control issues. In addition, GIAD updated the AC on the progress of the 2018 Audit Plan and results of ad-hoc assignments including audit investigations.

(iii) At the meeting held on 21 March 2018, the Internal Audit Function Evaluation Report was tabled for AC to assess the performance of GIAD. The AC had assessed the effectiveness of the internal audit function in terms of scope of work and compliance with relevant regulatory standards as well as its collaboration with the External Auditors. The Committee also assessed the adequacy of resources and core skills and competencies of staff within the GIAD.

The AC was satisfied with the performance and effectiveness of the GIAD and was of the opinion that the internal audit function was appropriate to its size, the nature and scope of its activities. The AC was of the view that the GIAD was effective and able to function independently and able to provide the Board and the Management with pertinent information on potential weaknesses in the system of internal control and providing the Management with constructive input and ideas for remedial action.

(iv) The AC had on 21 March 2018, met with GIAD without the presence of Management and Executive Board members to facilitate discussions of additional matters in relation to audit issues and internal control weaknesses noted in the course of its audit.

(v) At the AC Meeting held on 21 August 2018, the AC had reviewed and approved its revised terms of reference incorporating the new amendments to the Malaysian Code of Corporate Governance and MMLR.

(b) External Audit

(i) The AC met with the External Auditors, Messrs BDO on the following dates:

- The AC had on 28 February 2018, reviewed and deliberated with Management and the External Auditors, the Audit Report by the External Auditors in respect of their audit for the financial year ended 31 December 2017, particularly focusing on the significant audit findings and accounting issues that arose during the course of the audit, compliance with laws and regulations, key audit matters, internal controls issue, key accounting and audit adjustments as well as the Management's response thereto.

In the aforesaid meeting, the External Auditors confirmed their professional independence in relation to the audit engagement for the financial year ended 31 December 2017.

- The AC had on 21 March 2018, discussed with the External Auditors on the final draft of the audited financial statements of the Company for the financial year ended 31 December 2017.

The External Auditors was of the opinion that the Company's audited financial statements gave a true and fair view of the financial position of the Company and its group in accordance with the Financial Reporting Standards and the requirements of the Companies Act 2016.

Based on its annual audit, the External Auditors reported the following key audit matters and its audit response in its auditors' report for the financial year 2017:

- Revenue and profit recognition for property development and construction contracts; and
- Assessment of liquidated and ascertained damages on construction contracts.

- The AC had on 21 November 2018, reviewed and discussed with the External Auditors, the Group Audit Planning Memorandum for the financial year ended 31 December 2018 outlining the nature and scope of the audit plan, areas of audit emphasis, key audit matters, audit approach and methodology, engagement team, audit timeline as well as the proposed audit fees to ensure that the audit plan was comprehensive for implementation.

(ii) The AC had private sessions with the External Auditors to discuss any issues and reservations arising from their audit without the presence of management staff and the executive board members on 28 February 2018 and 21 March 2018. The External Auditors were given the opportunity to raise any matters of concern arising from their audit work. No major concerns were highlighted and the External Auditors had also confirmed that they had received full cooperation from Management and unrestricted access to the Company's records.

AUDIT COMMITTEE REPORT

- (iii) The AC had, at its meeting held on 21 March 2018, reviewed the audit and non-audit fees of the External Auditors for the financial year 2017.

The AC having considered the nature, scope and amount of the non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the External Auditors.

- (iv) The AC during the year, undertook an annual assessment of the performances and effectiveness of the External Auditors in respect to their statutory audit services. The results of the evaluation were tabled to the AC at its meeting held on 21 March 2018. Based on the assessment, the AC was satisfied with the timeliness and service quality rendered. There were no issues with regards to adequacy of audit manpower.

As such, the AC had subsequently recommended to the Board that the External Auditors be re-appointed for the next financial year subject to the shareholders' approval at the Annual General Meeting.

4. REVIEWING RELATED PARTY TRANSACTIONS & CONFLICT OF INTEREST SITUATIONS

- (a) The AC had at its meetings held on 28 February 2018, 21 May 2018, 21 August 2018 and 21 November 2018, deliberated on Management's potential conflict of interest, related party transactions and recurring related party transactions.

All related party transactions and recurring related party transactions were found to have complied with the following criteria:-

- i) Carried out in compliance with the MMLR of Bursa Securities, relevant rules and regulations as well as the shareholders' mandate;
- ii) Transactions/arrangements were carried out on an arms' length basis and under normal commercial terms;
- iii) Transactions/arrangements were in the best interest of the Company;
- iv) Interested parties abstained from deliberation and voting;
- v) Adequate disclosure via Bursa announcements, quarterly reports and annual report; and
- vi) Prior approval by the shareholders, where applicable.

With the assistance of GIAD, the AC had satisfied itself on the adequacy, appropriateness and compliance of the procedures established to monitor recurrent related party transactions.

The AC also took note that there were no management conflict of interest situations for operational matters (including any transaction, procedure or course of conduct) as reported by the President at the quarterly meetings.

- (b) On 28 February 2018, the AC reviewed and approved the Circular to Shareholders in respect of the proposed renewal of shareholders' mandate for recurrent related party transactions as well as the statements by the AC in respect of the proposed shareholders' mandate for recurrent related party transactions.

5. OTHER MATTERS

- (a) On 21 March 2018, the AC reviewed and recommended for the Board's approval, the Corporate Governance Statement, AC Report and Statement on Risk Management and Internal Control for inclusion into the Company's Annual Report 2017.

The AC had also reviewed and recommended for the Board's approval, the Annual Report 2017 of the Company.

- (b) The AC had on 21 February 2018, endorsed the acquisition of 700,000 ordinary shares in Sunway GD Piling Sdn Bhd from Sunway Construction Sdn Bhd, a related party, for a total cash consideration of RM795,284 as part of an internal reorganisation exercise and subsequently, recommended the same to the Board for approval.

- (c) On 21 May 2018, the AC had endorsed the acquisition of 47 condominium units of Infiniti 3 Residences from Setapak Heights Development Sdn Bhd, a related party, for a total consideration of RM45.8 million and subsequently, recommended the same to the Board for approval.

- (d) The AC was satisfied that there were no breaches of the MMLR of Bursa Securities as reported by the Company Secretary at its quarterly meetings during the financial year.

- (e) The AC was briefed by the Company Secretary at its quarterly meetings on the following developments in regulations and laws:

- i) Issuers Communication No. 3/2017 (Guidance on Disclosures relating to Material Contracts and Prevention of Selective Disclosure of Material Information) and the amendments to the Listing Requirements issued by Bursa Malaysia Securities Berhad;
- ii) Enforcement of the Corporate Rescue Mechanism under Division 8, Part III of the Companies Act 2016, and
- iii) Insertion of Corporate Liability Provision in the MACCA 2018.

- (f) Minutes of the previous AC Meetings were tabled at the subsequent Board Meetings by the AC Chairman. Significant issues and concerns discussed during the AC Meetings together with the recommendations were highlighted and reported to the Board.

PERFORMANCE EVALUATION

The assessment on the performance and effectiveness of the AC are undertaken by the Board annually. The AC members also undertook a Self and Peer Evaluation to assess whether the AC members had carried out their duties and responsibilities in accordance with its terms of reference.

Based on the assessment, the Board was satisfied that the AC was effective in discharging its duties and responsibilities as required under the AC's terms of reference.

CONTINUING EDUCATION

The details of training programmes and seminars attended by each AC member during the financial year ended 31 December 2018 are set out in the Corporate Governance Overview Statement under "Directors' Training".

OTHERS

The AC and the Head of GIAD have also been given the responsibility by the Board to monitor the implementation of the Whistleblowing Policy and Procedures, whilst duties relating to the day-to-day administration of the policy are performed by the Head of GIAD. During the financial year under review, there were no cases reported through the channel.



Please refer to Corporate Governance Overview Statement for more information.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's Internal Audit ("IA") function is an integral part of the assurance framework and it is performed in-house and undertaken by GIAD. The mission of GIAD is to enhance and protect Sunway Berhad Group's organizational value by providing risk-based and objective assurance, advice and insight. GIAD helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes. GIAD reports functionally to the AC and administratively to the Executive Chairman.

GIAD is headed by Mr Yee Meng Haw who is a member of the Malaysian Institute of Certified Public Accountant (MICPA), a member of the Malaysian Institute of Accountants (MIA) and a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA).

GIAD has 23 auditors and most of the GIAD staff have professional qualifications. Some are members of Certified Information System Auditors (CISA), Certified Fraud Examiners (CFE) and Certified Internal Auditor (CIA). The Head of GIAD and the auditors have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.

GIAD is a member of the Malaysian Chapter of the Institute of Internal Auditors ("IIA") and adopts the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional

Practices Framework issued by the IIA. GIAD successfully completed its external Quality Assessment Review in 2015 and continues to meet or exceed the IIA Standards in all key aspects. GIAD carried out its activities based on a risk-based annual audit plan approved by the AC. The AC reviews annually the adequacy of the scope, function and resources of the IA, to ensure that the responsibilities of GIAD are fully discharged.

The internal audit reports arising from the audit assignments carried out in 2018 were issued to the respective business unit management for their responses and Management were made responsible to ensure that the agreed corrective actions to be taken to address the reported risks and weaknesses were taken promptly within the required timeframes. Follow-up audit engagements were carried out by GIAD to ensure that the key corrective actions were implemented appropriately. The internal audit reports were subsequently tabled to the AC for its review. The Head of GIAD has unrestricted access to the AC and reports directly to the AC Chairman. In its current structure, the GIAD has been able to provide Directors and senior management with pertinent information about weaknesses in the system of internal control allowing Management to take prompt remedial actions.

During the financial year ended 31 December 2018 and as at the date of this report, GIAD had carried out the following activities:-

- (a) Prepared and presented the risk-based annual internal audit plan encompassing key business segments within the Group for the approval of the AC.
- (b) Performed audit engagements which covered reviews of internal control systems, accounting and management information systems, risk management and governance practices.
- (c) Issued internal audit reports to the AC and Management providing results of the assessments of internal controls identifying key areas of concerns as well as highlighting recommendations for improvements and carried out follow-up audits.
- (d) Acted on suggestions made by the AC and/or senior management on concerns over operations or controls, and significant issues pertinent to the Company and of the Group.
- (e) Performed investigative audits on allegations of mismanagement or improper acts reported through the whistleblowing procedures and other channels.
- (f) Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established to monitor recurrent related party transactions.
- (g) Reviewed risk exposures of new IT systems implemented to assess the controls that should be in place to mitigate the risks identified prior to implementation.

The costs incurred for the internal audit function in respect of the financial year ended 31 December 2018 including staff payroll costs and overheads amounted to RM4.61 million. The cost incurred in the previous financial year was RM4.06 million.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) is pleased to present the Statement of Risk Management and Internal Control, pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2017, with guidance from the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD'S RESPONSIBILITY

The Board affirms its commitment and responsibility towards effective risk management and internal control. In doing so, the Board embeds risk management into activities, initiatives and processes of Sunway and its subsidiaries (“the Group”). The framework has been set in place by the Board to identify, evaluate, mitigate and monitor key risks faced by the Group.

The framework is designed to mitigate rather than eliminate, risks or events with significant adverse impact on the achievement of the Group's objectives and strategies. As such, it provides reasonable but not absolute assurance against material financial misstatement and management information and records, or against financial losses or fraud. This statement does not cover associate companies and joint ventures where risk management and internal control are managed by the respective management teams.

The Risk Management Committee (“RMC”), comprising of independent directors in majority and as its Chairman oversees the Group's risk management and internal control. Accountable to the Board of Directors, the RMC meets quarterly to:

- Identify, assess and monitor key business risks and review risk mitigation strategies;
- Review and recommend risk management strategies, policies and levels of risk tolerance; and
- Ensure infrastructure, resources and systems are in place to manage risks.

In 2018, the RMC has duly reviewed, appraised and assessed, controls and progress of action plans taken to mitigate and manage the Group's risk exposure. The RMC had subsequently provided assurance to the Board that the Group's risk management and internal control are operating adequately and effectively in all material aspects.

INTERNAL CONTROL SYSTEM

Planning, monitoring and review of the Group's performance and conduct are done via scheduled periodic meetings of the Board, Board Committees and management. The annual Business Plan ensures that all divisions and operating subsidiaries prepare and present respective outlook, expectations, budgets, performance and targets for the forthcoming year.

The President communicates the Board's expectations to management teams and employees during management meetings, managers' conferences and forums while the heads of operating subsidiaries and departments are empowered with the responsibility of planning, monitoring, reporting and managing their respective operations.

COMPONENTS OF THE INTERNAL CONTROL SYSTEM

1. POLICIES & PROCEDURES

The Group's internal control system encompasses formalised and documented internal policies, standards and procedures to ensure compliance with internal controls, relevant laws and regulations. It enables all divisions and operating subsidiaries to effectively and efficiently, operate and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are regularly reviewed to ensure relevance and applicability and are published in the Group's portals for employees' reference.

Other policies that are made available to enhance the Group's operational efficiency include:

- Staff Handbook
- Employment Terms
- Industrial Relations
- Personal Data Protection Act
- Recruitment
- Support Facilities
- Learning & Development
- Whistle Blowing Policy

2. AUDITS

The Group Internal Audit Department (“GIAD”) carries out internal audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the Audit Committee (“AC”). Based on these audits, GIAD provides the AC with periodic reports highlighting observations, recommendations and action plans to improve the Group's internal control system. The AC reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group. Additionally, subsidiaries accredited with certifications are audited as scheduled by auditors of relevant certification bodies. Results of these audits are reported to management.

3. EMPLOYEE ENGAGEMENT AND PERFORMANCE

Key performance indicators, based on balanced scorecards are used to track and measure employee's performance while employee engagement surveys are conducted to gain feedback on effectiveness and efficiency of the Group to aid continuous improvement of employee competency, in line with the Group's goals and objectives.

4. RISK MANAGEMENT

The Group's risk management framework is benchmarked against the ISO31000:2009 Risk Management – Principles and Guidelines and is designed to embed Enterprise Risk Management (“ERM”) into key activities, initiatives and processes of the Group. This enables the Group to identify, evaluate, mitigate and monitor risks that may prevent the Group from achieving its objectives. In doing so, the stakeholders are assured that their interest is protected. During the financial year, the Group constantly reinforces its risk management framework to remain relevant and effective given the present business environment.

The framework is enterprise-wide and outlines policies and practices for effective risk mitigation. It allows the Group to:

- establish clear functional responsibilities and accountabilities within committee structures for management of risks;
- enhance and improve corporate governance with a clear, concise and robust structure for the Group;
- determine risk appetite and risk tolerance based on measurable parameters related to critical risks that may impact the strategy, performance and reputation of the Group;
- set risk policies and limits consistent with the risk appetite and tolerance of the Group; and
- ensure appropriate skills and resources are applied to risk management.

Continuous risk assessment is fundamental to the Group's risk management process. Operating subsidiaries are tasked with reporting major risks on a quarterly basis to management as it aims for a holistic approach towards risk management. The respective operating subsidiaries being risk owners of their immediate sphere are responsible to develop the appropriate response strategies to mitigate risks.

In providing assurance to the RMC and the Board, Group Risk Management Department (“GRMD”), under the purview of the Chief Financial Officer's Office continues to review the quarterly risk templates in identifying and mitigating all major risks of the operating subsidiaries under the Group. The quarterly risks from all operating subsidiaries are consolidated and updated to the Chief Financial Officer, President and RMC, highlighting major risks and mitigating controls carried out.

THE GROUP HAS FOUR (4) CORE RESPONSE STRATEGIES FOR RISK MANAGEMENT. THESE INCLUDE:

1. RISK TERMINATION

In this instance, management chooses to terminate risks by eliminating the business or by significantly altering it. The Group may choose this route for risks that could have major or catastrophic impact on its businesses.

2. RISK REDUCTION

Risks may be reduced by taking specific actions aimed at reducing the likelihood of occurrence, thus reducing the impact of these risks on the Group's businesses.

3. RISK ACCEPTANCE

Management may choose not to act and to consciously accept certain risks which are significantly low in likelihood of occurrence and/or impact. Factors to consider for risks of such nature would be:

- Adequacy of current controls;
- Quality and quantity of information on the controls;
- Likelihood and consequences of the risk occurring; and
- The cost of additional controls.

4. RISK TRANSFER

Management may choose to transfer all or part of a certain risk to other parties via:

- Transferring an entire business process to another party as is the case with sub-contracting and outsourcing arrangements;
- Sharing the business process with another party as is the case with partnerships and joint venture arrangements; and
- Retaining the process and transferring the legal and financial risks as is the case with insurance arrangements and the use of certain treasury/financial products.

Risk management discipline ensures that risk assessment is an on-going process whereby risks and risk mitigation measures are regularly reviewed and adjusted accordingly. The continuous risk assessment process therefore, represents the cornerstone of an effective ERM program for the Group.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

REPORTING STRUCTURE

The RMC will meet and deliberate on the top risks identified on a quarterly basis while its Chairman will subsequently update the Board on proceedings and updates from the RMC. Significant issues arising from changes in business environment are reviewed continuously to ensure minimal impact to the Group. The Group positions its business units towards a profitable objective while incorporating risk management principles into our functions and processes.

GRMD is accountable for effectiveness of the risk management framework and is independently distinguished from risk owners - the respective heads of operating subsidiaries being such person with vital insight of respective businesses and able to actively influence the identified risks through decisions and actions.

Consequently, GRMD undertakes the role of assisting operating subsidiaries by identifying, quantifying, managing and mitigating critical risks in addition to monitoring and reporting of action plans prepared by the operating subsidiaries. In line with the Group's governance initiatives, GRMD also collaborates with other support functions such as Group Brand Marketing & Communication, Group Finance, Group Internal Audit, Group IT, Group Legal, Group Procurement, Group Secretarial and Corporate Development.

GRMD continues to support the Group's efforts in embracing change and evolution into a resilient conglomerate, allowing it to refine its focus and strategies to achieve goals and objectives while sustaining an ecological balance between employees, communities and environment. Thus, as the Group commits to provide Occupational, Safety & Health standards and practices to enhance stakeholders' value, GRMD's quarterly risk reporting exercise with operating subsidiaries goes beyond risk mitigation to ensure that operational processes are consistent and remain compliant with the relevant standards such as OHSAS 18001, ISO 14001 and the Australian Council of Healthcare Standards (ACHS) to name a few.

APART FROM THE ABOVE, GRMD PARTICIPATES IN OTHER VALUE-ADDING EXERCISES SUCH AS:

1. REVIEW EXISTING SUNWAY STANDARD OPERATING PRINCIPLES ("SSOP")

The review of the Group's SSOPs is conducted by GRMD together with key relevant personnel from respective divisions or operating subsidiaries, covering credit control, sales and marketing, procurement, products and services and operative guidelines.

2. ASSIST IN DAY-TO-DAY OPERATIONS FOR OPERATING SUBSIDIARIES

Upon instruction from management, GRMD assists in fulfilling daily operative requirements to ensure minimal business interruption or delays that could hamper the achievement of goals and objectives.

3. ASSIST IN CONDUCTING REGULATORY RESEARCH

Such research is conducted to ensure that the Group's projects and businesses (existing or new) remain compliant to laws and regulations.

4. ASSIST IN CONDUCTING TENDER FOR DIVISIONS AND OPERATING SUBSIDIARIES

GRMD participates in tender processes to form an independent party to ensure fairness in observance of due process, decision making and tender awards.

KEY RISK FACTORS

For the financial year under review, GRMD has identified the following risks for the Group. These were presented to the RMC which includes the President and CFO where controls, mitigating plans and monitoring mechanisms were highlighted.

1. OPERATIONAL RISKS

The Group's business units have continuously and consistently paid significant attention to this risk where aspects of delivery of products and services, disaster recovery, infrastructure, production and safety are of paramount importance. This is so as the Group's reputation could be potentially damaged by one or more events, resulting in negative publicity and impairing public confidence.

Appropriate and effective policies and procedures are implemented and thoroughly monitored jointly by business units and GRMD to mitigate these risks. These are also continuously reviewed to ensure effectiveness and adequacy, in accordance with the latest in global best practices and standards.

2. EXTERNAL RISKS

Mindful of economic uncertainties, currency fluctuation, intense competition and global economic uncertainties, the Group continues to formalize strategies to remain resilient against these risks. While the country is expected to grow moderately for 2019, the Group has adopted a myriad of strategies to provide value added products and services that are competitively priced while maintaining competitive advantage via flexible procurement of supplies, self-sustaining resources and continuous exploration of new businesses.

3. HUMAN CAPITAL

In delivering the goals and objectives set out by the Group, recruitment of highly skilled and competent employees and the development of young talents with an aim of assimilation into the Group's workforce is crucial. In addition, loss of skilled and key employees due to market competition is a perennial risk faced by many.

In mitigating this risk, Group Human Resources, together with respective divisions and operating subsidiaries continuously improve and enhance strategies and plans which include employee engagement surveys, team building exercises, training and development – internal and external and reviews of the Group's remuneration and compensation benefits for staff. The Group has also embarked on an employee engagement journey to enhance leadership effectiveness, employer brand, decision making, career development, talent and rewards and recognition.



Please refer to Sustainability Report 2018 for more information.

4. REGULATORY

Changes in regulations, guidelines and laws in Malaysia or any other countries may directly and indirectly impact the Group. The framework aims to minimize adverse impact arising from non-compliance of such changes. Together with GRMD, relevant departments and business units engage in discussions to attend to necessary changes to ensure compliance and monitor the resulting changes adopted.

THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework is able to meet the Group's objective to ensure good corporate governance. There was no potential or present failure or weakness that would have material adverse effect on the results of the Group for the year under review.

The Board has also received assurance from the President and Chief Financial Officer that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core practice for the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement of Risk Management and Internal Control as required under Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement of Risk Management and Internal Control was approved by the Board of Directors on 21 March 2019.

TAN SRI DATO' SERI DR JEFFREY CHEAH FOOK LING AO
EXECUTIVE CHAIRMAN

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”):-

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

- (a) On 26 March 2013, Sunway had announced that Sunway Velocity Mall Sdn Bhd (“**SVM**”), a 59% owned subsidiary of Sunway City Sdn Bhd (“**Sunway City**”) which in turn is a wholly-owned subsidiary of Sunway, has received authorization from the Securities Commission (“**SC**”) to establish a medium term note programme for the issuance of unrated medium term notes (“**UMTNs**”) of up to RM1.0 billion in nominal value (“**MTN Programme**”) via SC’s letter dated 21 March 2013.

There were no issuance of UMTNs during the financial year ended 31 December 2018. As at 31 December 2018, the total outstanding UMTNs amounted to RM480,000,000/-.

The proceeds raised from the MTN Programme were utilized to repay advances and other related costs due to Sunway Treasury Sdn Bhd (“**Sunway Treasury**”), a wholly-owned subsidiary of Sunway City, for the development and operation of SVM.

- (b) On 28 October 2013, Sunway had announced that it has received authorization from the SC to establish a commercial paper/medium term note programme for the issuance of commercial papers (“**CPs**”) and/or medium term notes (“**MTNs**”) of up to RM2.0 billion in nominal value (“**CP/MTN Programme**”) via SC’s letter dated 25 October 2013.

During the financial year ended 31 December 2018, Sunway had 96 issuance of CPs totaling RM11,372,000,000/- under the CP/MTN Programme at various interest rates and had repaid RM11,860,000,000/- of CPs. As at 31 December 2018, the total outstanding CPs and MTNs amounted to RM1,166,000,000/- and RM610,000,000/- respectively.

The proceeds raised from the CP/MTN Programme were utilized to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes.

- (c) On 22 August 2014, Sunway had announced that Sunway Treasury Sukuk Sdn Bhd (“**Sunway Treasury Sukuk**”), a wholly owned subsidiary of Sunway Treasury, has received authorization from SC to establish an Islamic commercial paper/medium term note programme for issuance of Islamic commercial papers (“**ICPs**”) and/or Islamic medium term notes (“**IMTNs**”) under the Shariah principle of Mudharabah of up to RM2.0 billion in nominal value (“**Sukuk Programme**”) via SC’s letter dated 21 August 2014.

During the financial year ended 31 December 2018, Sunway Treasury Sukuk had 99 issuance of ICPs totaling RM13,080,000,000/- under the Sukuk Programme at various interest rates and had repaid RM12,820,000,000/- of ICPs. Sunway Treasury Sukuk did not issue any IMTN during the financial year. As at 31 December 2018, the total outstanding ICPs and IMTNs amounted to RM1,160,000,000/- and RM670,000,000/- respectively.

The proceeds raised from the Sukuk Programme were utilized to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes.

- (d) On 17 July 2017, Sunway had announced that Sunway Treasury Sukuk has received authorization from SC to establish an Islamic Medium Term Note Programme of up to RM10.0 billion in nominal value (“**2017 Sukuk Programme**”) for issuance of unrated Islamic medium term notes (“**UiMTNs**”) via SC’s letter dated 14 April 2017.

During the financial year ended 31 December 2018, Sunway Treasury Sukuk had issued 4 tranches of UiMTNs totaling RM960,000,000/- under the 2017 Sukuk Programme at various interest rates. As at 31 December 2018, the total outstanding UiMTNs amounted to RM1,370,000,000/-.

The proceeds raised from the 2017 Sukuk Programme were utilized to finance investment activities, capital expenditure, working capital requirements including the refinancing/early redemption/buy back of Sunway Treasury Sukuk’s ICPs under its Sukuk Programme and/or other general corporate purposes.

- (e) On 29 September 2017, Sunway had announced that Sunway Parkview Sdn Bhd (“**Sunway Parkview**”), a wholly-owned subsidiary of Sunway Iskandar Sdn Bhd (“**Sunway Iskandar**”), had established a Medium Term Note Programme of up to RM999.0 million in nominal value (“**Sunway Parkview MTN Programme**”) for issuance of medium term notes (“**Sunway Parkview MTNs**”) pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

There were no issuance of Sunway Parkview MTNs during the financial year ended 31 December 2018. As at 31 December 2018, the total outstanding Sunway Parkview MTNs amounted to RM300,000,000/-.

The proceeds raised from the 2017 Sunway Parkview MTN Programme were utilized to finance or reimburse Sunway Parkview’s cost of acquiring the lease(s) over 10 parcels of adjoining development land from Sunway Iskandar.

- (f) On 15 December 2017, Sunway had announced that it had established a Perpetual Islamic Medium Term Note Programme of up to RM5.0 billion in nominal value (“**Sunway Sukuk Programme**”) for issuance of Islamic medium term notes (“**Sunway iMTNs**”) pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

During the financial year ended 31 December 2018, Sunway had issued 2 tranches of Sunway iMTNs totaling RM400,000,000/- under the Sunway Sukuk Programme at various interest rates. As at 31 December 2018, the total outstanding Sunway iMTNs amounted to RM400,000,000/-.

The proceeds raised from the Sunway Sukuk Programme were utilized to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses relating to the Sunway Sukuk Programme) of the Company and/or its direct and indirect subsidiaries and including jointly controlled entities and associate companies.

2. OPTIONS OVER ORDINARY SHARES

(a) Employees' Share Option Scheme

- (i) During the financial year ended 31 December 2018, a total of 5,910,854 options over the ordinary shares were exercised pursuant to the Company's Employees' Share Option Scheme 2013/2019 ("ESOS").
- (ii) The total number of options granted, vested, exercised and outstanding vested under the ESOS as at 31 December 2018 are set out in the table below:-

Description	Number of Options as at 31 December 2018	
	Total	Directors
(a) Granted	181,080,268	23,800,000
(b) Exercised	114,382,894	23,720,000
(c) Vested	146,903,268	23,720,000
(d) Expired and deallocated vested	17,796,952	0
(e) Outstanding vested	14,723,422	0

The Directors had fully exercised their options in the last financial year.

- (iii) Percentage of options applicable to Directors and Senior Management under the ESOS are as follows:-

Director and Senior Management	During the financial year (%)	Since commencement up to 31 December 2018 (%)
(a) Aggregate maximum allocation	0	22.37
(b) Actual granted	0	22.37
(c) Actual vested	0	27.42

The Company did not grant any options over the ordinary shares pursuant to the ESOS to the Non-Executive Directors.

3. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2018, the total audit and non-audit fees paid or payable incurred for services rendered to the Company and the Group by the external auditors, or a firm affiliated to the external auditors are as follows:-

	Group (RM'000)	The Company (RM'000)
Audit fees	3,121	292
Non-audit fees	22	18
TOTAL:	3,143	310

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

Save as disclosed, there were no other material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 December 2018:-

- (a) Master Sale and Purchase Agreement dated 25 May 2018 between Sunway Avila Sdn Bhd (formerly known as Sunglobal Resources Sdn Bhd) ("**Sunway Avila**"), a subsidiary of Sunway, and Setapak Heights Development Sdn Bhd ("**Setapak Heights**") for the acquisition of 47 completed individual residential units of Residensi Infiniti 3 developed by Setapak Heights on a leasehold land of 99 years expiring on 24 February 2109 held under Pajakan Negeri 50980 Lot 200649 Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan on an "as is where is" basis and free from encumbrances and with vacant possession for a total cash consideration of RM45,795,860/-.

RELATIONSHIP OF RELATED PARTIES

Mr Low Peng Kiat is a director and major shareholder of Sunway Avila and Setapak Heights.

5. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 52 of the Notes to the Financial Statements.

INVESTOR RELATIONS

Sunway's Investor Relations ("IR") team, being the bridge between the company and the investing community, acts as an intermediary that disseminates information on the company's developments, strategies and prospects by practising regular engagement with existing and potential investors through various platforms. Such undertaking is vital in establishing transparency, instilling confidence whilst maintaining close rapport with investors, analysts and shareholders, allowing them to make informed and timely investment decisions.

EXTENSIVE COVERAGE

Sunway has garnered substantial interest from analysts from both local and foreign financial institutions since its listing on the Main Market of Bursa Malaysia in 2011. As at 31 December 2018, Sunway is covered by 12 analysts, with 5 having a "Buy" call on the company. The average target price of the Sunway Berhad share on even date stood at RM1.63.

Sunway is covered by the following research houses:

- Affin Hwang Investment Bank
- AllianceDBS Research
- AmInvestment Bank
- CIMB Investment Bank
- Hong Leong Investment Bank
- J.P. Morgan
- Kenanga Research
- Maybank Investment Bank
- MIDF Research
- RHB Research Institute
- TA Securities
- UOB Kay Hian

KEY INITIATIVES AND ACTIVITIES

Sunway's IR team strives to maintain timely, transparent and meaningful communication with the investing community, all whilst adhering to regulatory guidelines for information disclosure.

The key IR initiatives and activities that took place in 2018 are detailed as follows.

IN-HOUSE MEETINGS

Sunway conducted a total of 25 one-on-one and small group meetings with analysts, fund managers and investors in 2018 (2017: 29). These meetings provide a platform for meaningful two-way dialogues between the investing community and senior management of the company. The investors are able to gain in-depth understanding of the Group's performance while the company also benefits by being able to attain first-hand insights on the views and concerns of the investing community.

LARGE GROUP MEETINGS AND CONFERENCES

Bolstered by a diversified portfolio and a strong track record, Sunway has always been at the forefront at regional investor conferences. In 2018, the Group participated in large group meetings and conferences held in Malaysia and other prime financial metropolises such as Singapore. Sunway utilised these avenues to present the merits of its investment case and to share operational developments with both existing and potential investors.

On a local note, the investment banks in Malaysia also organised dedicated non-deal roadshows and corporate luncheons throughout the year, in which Sunway was invited to share the Group's latest updates and future prospects. These meetings are usually targeted at local, seasoned investors who are more acquainted with the business.

Date	Organiser	Event	Venue
23 January 2018	Bursa Malaysia and Maybank	Invest Malaysia 2018	Kuala Lumpur
28 March 2018	Maybank Kim Eng	Invest ASEAN 2018	Singapore
27 June 2018	Citibank	Citi ASEAN C-Suite Investor Conference 2018	Singapore

SITE VISITS

Sunway acknowledges site visits as an effective means of demonstrating the Group's value proposition as a diversified conglomerate and integrated developer. As such, the Group hosted a total of 4 site visits in 2018 (2017: 10). It is essential for the investors to gain visual perspectives on sites, in order for them to experience and appreciate the strategic location, connectivity and integration of the Group's landbanks and developments.

There were 3 site visits to Sunway Iskandar in 2018, and the investment community's interest in the Group's township development persisted throughout the year. Interest in the iconic projects in Sunway City, namely the Sunway Medical Centre and Sunway South Quay, continued to gain momentum during the year, with one further site visit in 2018. Through these visits, analysts are able to get updates on the development progress and learn more about the future plans.

OTHER CHANNELS OF COMMUNICATION

BRIEFING PACKS, FLASH NOTES AND ANALYST BRIEFINGS

All substantial developments impacting the Group such as the release of quarterly results, new construction orders, new land and company acquisitions, as well as corporate exercises, are announced on Bursa Malaysia in a timely manner. To deliver key information that analysts and the investing community typically require, the IR team prepares concise reports in the form of briefing packs and flash notes, which are disseminated immediately after the announcements are released on Bursa Malaysia.

Briefing packs are prepared by the IR team to include crucial information typically required for analysts and media coverage, whereas flash notes are one-page documents commonly used to circulate bulletins on the latest developments within the Group such as revised sales and launch targets, as well as new targets for the coming year.

The IR team also arranges analyst briefings when the Group embarks on major events in order to communicate the details of the same to the investing community.

QUARTERLY FINANCIALS AND ANNUAL REPORT

Each year, Sunway prepares quarterly financial reports and the annual report which are aimed to provide shareholders and investors the details of the financial and operational performance of the company. Sunway believes in transparent and comprehensive disclosure and thus, the Group has always voluntarily shared additional disclosures to provide better insights of the Group in its quarterly financial reports and annual report, on top of the minimum statutory content.

Sunway is committed to continue in its effort to promote effective communication through the publication of informative and reader-friendly annual reports.

IR PORTAL AND E-MAIL

Sunway's IR web portal is integrated into and accessible via the Group's website at www.sunway.com.my. The portal is managed regularly by the IR team as the team strives to ensure that reports are made available on the portal within 48 hours after any major announcements. This makes it a crucial source of information for those with limited access to newsfeed. Other features and information available on the portal are the Group's quarterly and annual financial information, financial calendar and an interactive stock chart to serve as reference for the investing community.

The portal can also be accessed directly via <http://www.sunway.com.my/investor-relations/>. Investors may also direct any specific queries to the Group's management or IR team via e-mail at irsunwayberhad@sunway.com.my or through IR contact details as published on the portal.

AWARD WINNING INVESTOR RELATIONS FUNCTION

A successful IR Team is built on the trust earned from the investing community over the years. This is a gradual process which requires commitment to continuous communication with stakeholders, through timely disclosures, detailed analyses of past performances and narratives on future strategies and prospects. It is also imperative that the IR team be expansive in its level of outreach, well-informed about the intricacies of the business and responsive to queries from stakeholders.

In 2018, the IR team's efforts were recognised at the 8th Malaysian Investor Relations Association ("MIRA") Awards, with the team being shortlisted in a total of 7 categories, including Best Company for Investor Relations (Mid Cap), Best Chief Financial Officer for IR (Mid Cap), Best IR Professional (Mid Cap), Best IR Website (Mid Cap), Business Knowledge & Insights of Investor Relations Team, Best Quality of Annual Reports/ Formal Disclosure and Best Quality of One-on-One Meetings. The annual event endorses and celebrates the achievements of top IR professionals from Malaysian listed entities, and is a testament to the Group's unceasing efforts in bridging the communication gap between management and the investing community.



Connect to more information online at www.sunway.com.my

INVESTOR RELATIONS

RHB Malaysia Results Review

22 November 2018

3Q18 results announced on 21 November are below expectations

Sunway

3Q Property Sales Buck Industry Trend

Maintain BUY. MYR1.82 TP, 25% upside with 3% FY19F yield. 3Q18 results missed expectations, but RM new property sales hit MYR1.6bn. As a result, management has revised up its sales target to MYR1.7bn. The like-upbooking rates for most of its projects have been encouraging, and we expect some of these sales to flow through to 1Q19. We continue to like Sunway's diversified business model that provides resilient earnings, as well as the opportunity to recycle its assets.

Sunway's 3Q18 results fell below our and Street expectations as earnings:

Property | Real Estate

Buy (Maintained)

Target Price: MYR1.82
Price: MYR1.45
Market Cap: USD1,730m
Bloomberg Ticker: SWB MK

Share Data
Avg Daily Turnover (MYR/USD): 3,120/2,140
52-wk Price High/Low (MYR): 1.35 - 1.82
Price/Book (x): 2.7
Shares Outstanding (m): 4,653
Estimated Return: 25%

Shareholders (%)

August 23, 2018

Maybank18 Research

Sunway (SWB MK)

Diversification bearing fruits

BUY

Share Price: MYR 1.56
12m Price Target: MYR 1.85 (+19%)
Previous Price Target: MYR 1.82

Company Description
Sunway and is involved in property development, investment properties and construction businesses

Statistics
52w High/Low (MYR): 1.36/1.45
3m avg turnover (USDm): 0.8
Price/Book (x): 33.4

Results in line but sales above

Sunway's 1H18 core net profit of MYR202m was within our expectation. 1H18 loaded in effective property sales of MYR600m were however above expectations. At construction, SCB is on track to meet its 2018 job win target of MYR1.5b-1.6b. We adjust our earnings forecasts by -36 to -56. Our RNAV-TP is unchanged at MYR1.85 (0.7x P/RNAV). Maintain BUY.

Earnings on track

HongLeong Investment Bank

22 November 2018

Results Review: 3QFY18

HLIB Research
PO 148413002 (81418)

Lee Hong Hong
leehh@hlb.hongkong.com.my
(603) 2463 1722

Sunway

Resilient performance

Sunway's SM18 core PATMI of RM460m (+4.8% YoY) was broadly within expectations. Stronger YoY results were driven by stronger contributions from all segments except for property development. SM18 row sales of RM1.4bn have exceeded FY18 target and unbilled sales improved to RM1.6bn (1.8x cover). We adjust our FY18/19/20 forecasts by -3.6%/+6.3%/+1.2% to reflect the recognitions of Sunway Gardens in Tianjin and the revised forecasts for SunCon. Maintain BUY with lower SOTP-derived valuation TP of RM2.13 (was RM2.15), reflecting the lower TP for SunREIT.

Broadly in line. SM18 revenue of RM4.0bn translated into core PATMI of RM407.5m, exceeding by 27.4m and 20.7m of L18F and consensus. All core forecasts

BUY (Maintain)

Target Price: RM2.13
Previously: RM2.15
Current Price: RM1.45

Capital upside: 46.9%
Dividend yield: 4.5%
Expected total return: 51.7%

Research by kenanga

22 November 2018

Sunway Berhad

Spectacular Sales!

By Adrian Ng | adrian.ng@kenanga.com.my; Sarah Lim | sarahlim@kenanga.com.my

MARKET PERFORM

Price: RM1.45
Target Price: RM1.50

Share Price Performance

SM18 GNP of RM407.5m came in within expectations, making up 73%/70% of our/consensus full-year estimates. SM18 property sales of RM1.4b beat our/management's full-year sales target of RM1.4b/RM1.3b. No dividend declared, as expected. Raised sales target from RM1.4b to RM1.6b but make no change to our FY18-19E CNFs. Downgrade to MP with a lower SOTP-driven TP of RM1.50 (previously, OP; TP: RM1.55).

CGSCIMB

Company Note

Construction | Malaysia | May 21, 2018

Sunway Bhd

Solid orderbook buffers post-GE14 contract risks

- 1Q18 core net profit of RM122m was in line at 20% of our and consensus' full-year forecasts. The 1Q is typically a weak quarter.
- Construction revenue surged 43%, outpacing property and property investments.
- The solid orderbook of RM6.3bn for SunCon provides a buffer to the likely post-GE14 contract risks, but upside to the orderbook is more certain from internal jobs, for now.
- Sunway aims for RM1.3bn property sales in FY18F; it achieved sales of RM1.41m in 1Q.
- We maintain Hold as we foresee limited upside. Our TP is raised to RM1.58.

Construction bolsters 1Q18 performance

Sunway's 1Q18 core net profit made up 20% of our and consensus' full-year numbers. The results were broadly in line as we expect stronger quarters ahead. Construction's 40% revenue surge outpaced other divisions. Overall revenue/EBIT margin softened to

HOLD (no change)

Consensus ratings: BUY S HOLD S HOLD

Current price: RM1.51
Target price: RM1.58
Previous target: RM1.40

Up/downside: 3.3%
CGS-CIMB / Consensus: -15.7%

Dividend: 0.04MYR
Dividend yield: 2.6%
Market cap: US\$1.852m
RM7.359m
US\$1.15m

Average daily turnover:

TA SECURITIES

A MEMBER OF THE TA GROUP

RESULTS UPDATE
Thursday, August 23, 2018
PERKLU: 1,780.1
Sector: Property

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY

Sunway Bhd

RM1.3bn Sales Target Met in 8M

TP: RM1.64 (+3.3%)
Last Traded: RM1.56

HOLD

Thiam Chiam Wan | Tel: +603-2147 9615 | cwthiam@ts.com.my | www.taonline.com.my

Review

- Excluding the fair value gain from Sunway REIT of RM59.2mn, Sunway's 1H18 normalised net profit of RM262.2mn, which accounted for 46% and 43% of ours and consensus' full-year forecasts respectively.
- However, results would have been in-line and accounted for 51% and 48%.

Share Information
Bloomberg Code: SWB MK
Share Code: 5215
Listing: NASD Market
Share Cap (m): 4,813.8
Market Cap (RMm): 7,557.5
22-wk High/Low (RM): 1.36/1.44

23 August 2018

Securities

AFFIN HWANG CAPITAL

Outthink. Outperform.

Fair value gain boost

Sunway's 1H18 result was within expectations. Net profit grew 5% yoy to RM321m in 1H18 on higher contributions from all divisions except its property development arm. Fair value gain of RM35m for Sunway REIT also contributed to its bottom line. Property pre-sales of RM1.3bn YTD August is on track to meet its RM2bn target in FY18. Sunway remains our top BUY among large-cap property stocks with a reduced RM2.00 target price, based on 20% discount to RNAV.

Held back by change in accounting practise

Results Note

Sunway Berhad

SWB MK
Sector: Property

RM1.56 @ 21 August 2018

BUY (maintain)

Malaysia Flash Note

Refer to important disclosures at the end of this repo

DBS Group Research - Equity

13 Sep 2018

Sunway (SWB MK) : HOLD

Mkt. Cap: US\$1.751m | 3m Avg. Daily Vol: US\$0.78m
Last Traded Price (12 Sep 2018): RM1.50

Company Guide

Sunway of our portfolios, and highlights the relevant data points used

UOB KayHian

Malaysia Daily

Tuesday, 22 May 2018

UOBKH HIGHLIGHTS

Sunway Bhd (SWB MK/HOLD/RM1.51/Target: RM1.63)

1Q18: Within expectations

Year to 31 Dec	1Q18 (RMm)	4Q17 (RMm)	qtr % chg	year % chg	Year	EPS (sen)	PE
Revenue	1,004	1,721	(24.1)	19.3	2018*	12.8	12.0
- Construction	447	803	(23.3)	40.3	2018*	12.7	11.9
- Property Development	103	410	(84.0)	(7.7)	2018*	12.1	11.6
- Investment Property	250	257	(10.5)	17.7			

AmInvestment Bank

Company report

Thong Pak Leng
thong-pak-leng@ambankgroup.com
03-2036 2025

Rationale for report: Company results

SUNWAY

(SWB MK EQUITY, 2018Y.F.)

22 Nov 2018

New property sales more than double YoY

BUY
(Maintained)

Investment Highlights

- We maintain our BUY call on Sunway Bhd (Sunway) with

J.P.Morgan

Asia Pacific Equity Research

21 May 2018

Sunway Bhd (SWB MK)

Neutral

Price: US\$1.51
21 May 2018
Prior Target: US\$1.55
PT End Date: 31 Dec 2018

1Q18 - property investment the star performer while pre-sales slow; Prefer ECW & SP5B

SWB's 14% Y/Y core earnings rise in 1Q18 was driven mainly by the property investment division. Including JV/associate contributions, profit from construction and property development were flat. Pre-sales was also slow in 1Q18 at just M\$156MM (13% of full year forecast) but this is seasonal and expected due also to the cautiousness ahead of the just concluded general elections. Despite short term uncertainty from the surprise outcome of the elections with a new government and review of policies, we remain positive on the longer term

midf RESEARCH

24 January 2019 | Corporate Update

Sunway Berhad

First land banking for 2019

Maintain NEUTRAL

Revised Target Price (TP): RM1.30 (Previously RM1.48)

INVESTMENT HIGHLIGHTS

- First land banking for 2019
- Neutral on the land award

RETURN STATS

Price (23 Jan 2019): RM1.51

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards, the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

SOLID PERFORMANCE

Sunway's Quarry division has solidified itself as a leading quarry and asphalt operator in the country, with 6 quarries and 13 asphalt plants in high growth areas across Peninsular Malaysia. To ensure sustainable growth, the division is on the lookout for new batch plants and quarry operations in strategic locations for expansion.

FINANCIALS

- 140** Financial Statements
- 328** List of Material Properties



DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries are set out in Note 53 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	728,394	1,125,529
Profit attributable to:		
Owners of the parent	658,383	1,125,529
Non-controlling interests	70,011	-
	728,394	1,125,529

DIVIDENDS

The dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2017:	
Second interim single tier cash dividend of 3 sen per ordinary share, paid on 26 April 2018	146,367
In respect of financial year ended 31 December 2018:	
First interim single tier cash dividend of 3.5 sen per ordinary share, paid on 18 October 2018	170,126
	316,493

On 28 February 2019, the Board of Directors declared a second interim single tier dividend comprising a cash dividend of 2 sen per ordinary share of the Company and share dividend distribution of approximately 48.5 million treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in the Company for the financial year ended 31 December 2018. The total estimated dividend payable amounts to approximately RM190,574,000. The dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2019.

The Board of Directors does not propose any final dividend for the financial year ended 31 December 2018.

ISSUE OF SHARES AND SHARES BUY-BACK

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM5,370,606,000 to RM5,379,437,000 by way of issuance of:

- (i) 3,295,561 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.07 per ordinary share for cash;
- (ii) 1,140,836 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.23 per ordinary share for cash;
- (iii) 1,050,601 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.40 per ordinary share for cash;
- (iv) 423,856 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.26 per ordinary share for cash; and
- (v) 202 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.86 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

During the financial year, the Company repurchased 49,928,300 of its issued ordinary shares from the open market at prices ranging from RM1.40 to RM1.68 per share. The total consideration paid for the repurchases was RM76,482,377 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

As at 31 December 2018, the Company held a total of 72,209,562 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,924,402,189 ordinary shares. Such treasury shares are recorded at a carrying amount of RM140,298,650.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME

Sunway Berhad's Employees' Share Option Scheme ("the Scheme") came into effect on 3 September 2013 and is governed by the by-laws approved by the shareholders on 27 June 2013. The Scheme is for eligible employees (including Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (a) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at the time of the offer of options under the Scheme;
- (b) Only eligible Executive Directors and employees of the Company and of the Group will be eligible to participate in the Scheme;
- (c) The price payable upon exercise of an option granted under the Scheme shall be the higher of:
 - (i) the 5-day volume weighted average market price of the underlying shares as at the date of the offer, and at the discretion of the committee appointed by the Board to administer the Scheme ("Committee"), with either a:
 - premium; or
 - discount of not more than 10% (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Malaysia Securities Berhad or any other relevant authorities); or
 - (ii) the par value of the Company's shares.
- (d) The duration of the Scheme is 6 years from the date of its commencement;
- (e) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on, inter alia, the eligible employee's position within the Group, fulfillment of the eligibility criteria, work performance and/or such other factors as the Committee deems fit and the offer shall be valid for acceptance by an employee for a period of 30 days from the date of offer; and
- (f) The eligible employees shall be entitled to exercise such number of the vested options within the option period and they shall have no right to exercise all or any of the options that have been granted but not vested to them.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the Scheme.

Details of the share options granted, vested and exercised under the Scheme are as follows:

(a) Options granted

Grant no.	Grant date	Number of share options '000	Movements during the financial year			Balance as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
			Balance as at 1.1.2018 '000	Exercised '000	Lapsed/ Expired '000			
First	3.9.2013	133,564	10,593	(3,295)	(1,319)	5,979	1.07	3.10.2013 - 1.9.2019
Second	1.8.2014	15,735	4,261	(1,141)	(856)	2,264	1.23	2.9.2014 - 1.9.2019
Third	3.8.2015	10,840	6,316	(1,050)	(1,944)	3,322	1.40	2.9.2015 - 1.9.2019
Fourth	3.8.2016	6,159	3,810	(424)	(226)	3,160	1.26	2.9.2016 - 1.9.2019

EMPLOYEES' SHARE OPTION SCHEME (CONTD.)

(b) Options vested

(i) First grant of options over ordinary shares

Movements during the financial year							
Vesting date	Vested '000	Exercisable as at 1.1.2018 '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
2.9.2015	26,744	3,951	(2,745)	(1,206)	-	1.07	2.9.2015 - 1.9.2018
2.9.2016	22,471	6,642	(550)	(113)	5,979	1.07	2.9.2016 - 1.9.2019
	49,215	10,593	(3,295)	(1,319)	5,979		

(ii) Second grant of options over ordinary shares

Movements during the financial year							
Vesting date	Vested '000	Exercisable as at 1.1.2018 '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
2.9.2015	3,894	1,593	(825)	(768)	-	1.23	2.9.2015 - 1.9.2018
2.9.2016	3,268	2,668	(316)	(88)	2,264	1.23	2.9.2016 - 1.9.2019
	7,162	4,261	(1,141)	(856)	2,264		

(iii) Third grant of options over ordinary shares

Movements during the financial year							
Vesting date	Vested '000	Exercisable as at 1.1.2018 '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
2.9.2015	4,792	2,793	(971)	(1,822)	-	1.40	2.9.2015 - 1.9.2018
2.9.2016	3,642	3,523	(79)	(122)	3,322	1.40	2.9.2016 - 1.9.2019
	8,434	6,316	(1,050)	(1,944)	3,322		

(iv) Fourth grant of options over ordinary shares

Movements during the financial year							
Vesting date	Vested '000	Exercisable as at 1.1.2018 '000	Exercised '000	Lapsed/ Expired '000	Exercisable as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
2.9.2016	4,936	3,810	(424)	(226)	3,160	1.26	2.9.2016 - 1.9.2019

DIRECTORS' REPORT

WARRANTS 2017/2024

On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll in the event of any alteration to the share capital of the Company.

During the financial year, 202 new ordinary shares of RM1.86 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017 and the salient features of the Warrants are disclosed in Note 42(b) to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the Note 45 to the financial statements.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO
Dato' Sri Idris Jala
Tan Sri Datuk Seri Razman M Hashim
Tan Sri Dato' Dr. Lin See Yan
Dato' Chew Chee Kin
Wong Chin Mun
Lim Swe Guan
Sarena Cheah Yean Tih
Tan Sri Datuk Dr Rebecca Fatima Sta Maria
Datuk Seri Yam Kong Choy (retired on 21 June 2018)

In accordance with Clause 106 of the Constitution of the Company, Tan Sri Datuk Seri Razman M Hashim, Dato' Chew Chee Kin and Mr Wong Chin Mun retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options granted under the Employees' Share Option Scheme and warrants issued as disclosed in Note 42 to the financial statements.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 52 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in ordinary shares, non-cumulative redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold As at 31.12.2018

The Company

Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	249,108,108	-	-	249,108,108
Tan Sri Datuk Seri Razman M Hashim	3,542,324	-	-	3,542,324
Tan Sri Dato' Dr. Lin See Yan	700,000	-	-	700,000
Dato' Chew Chee Kin	20,623,927	-	-	20,623,927
Sarena Cheah Yean Tih	5,145,175	-	-	5,145,175

Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^a	2,704,450,295	32,474,800	-	2,736,925,095
Dato' Chew Chee Kin ^b	1,534,029	-	-	1,534,029
Sarena Cheah Yean Tih ^c	2,944,303,411	32,474,800	-	2,976,778,211

	Number of non-cumulative redeemable preference shares		
	As at 1.1.2018	Acquired	Sold As at 31.12.2018

Immediate holding company

Sungei Way Corporation Sdn. Bhd.

Direct interest:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	122,000,000	-	-	122,000,000
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Deemed interest:

Sarena Cheah Yean Tih ^d	122,000,000	-	-	122,000,000
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DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold

Immediate holding company
Sungei Way Corporation Sdn. Bhd.

Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO*	10,000,000	-	-	10,000,000
Sarena Cheah Yean Tih ^f	10,000,000	-	-	10,000,000

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold

Ultimate holding company
Active Equity Sdn. Bhd.

Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	102,000	-	-	102,000
Sarena Cheah Yean Tih	25,500	-	-	25,500

Deemed interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO*	68,000	-	-	68,000
Sarena Cheah Yean Tih ^d	102,000	-	-	102,000

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold

Related company
Sunway Construction Group Berhad

Direct interests:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	7,723,892	-	-	7,723,892
Tan Sri Datuk Seri Razman M Hashim	106,864	-	-	106,864
Tan Sri Dato' Dr. Lin See Yan	10,000	-	-	10,000
Dato' Chew Chee Kin	334,355	-	(334,355)	-
Sarena Cheah Yean Tih	57,727	-	-	57,727

DIRECTORS' INTERESTS (CONTD.)

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold
			As at 31.12.2018

Related company**Sunway Construction Group Berhad****Deemed interests:**

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^h	833,629,588	-	-	833,629,588
Dato' Chew Chee Kin ^b	34,695	-	(34,695)	-
Sarena Cheah Yean Tih ⁱ	841,282,416	-	-	841,282,416

	Number of ordinary shares		
	As at 1.1.2018	Acquired	Sold
			As at 31.12.2018

Related company**Sunway Global Limited****Direct interest:**

Dato' Chew Chee Kin	689,183	-	-	689,183
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	Number of warrants 2017/2024		
	As at 1.1.2018	Acquired	Sold
			As at 31.12.2018

The Company**Direct interests:**

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	32,028,184	-	-	32,028,184
Tan Sri Datuk Seri Razman M Hashim	455,441	-	-	455,441
Tan Sri Dato' Dr. Lin See Yan	90,000	-	-	90,000
Dato' Chew Chee Kin	2,651,647	-	-	2,651,647
Sarena Cheah Yean Tih	661,522	-	-	661,522

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTD.)

	Number of warrants 2017/2024			
	As at 1.1.2018	Acquired	Sold	As at 31.12.2018
The Company				
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^a	390,072,237	13,024,696	-	403,096,933
Dato' Chew Chee Kin ^b	197,232	-	-	197,232
Sarena Cheah Yean Tih ^c	420,910,494	13,024,696	-	433,935,190

^a Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

^b Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse.

^c Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parent.

^d Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.

^e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and children.

^f Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and parent.

^g Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.

^h Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd. and children.

ⁱ Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd., spouse and parent.

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

The other Directors in office at the end of the financial year did not have any interests in ordinary shares, non-cumulative redeemable preference shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 52 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Company for the financial year 2018 was RM71,000.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

(I) As at the end of the financial year

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Adly Sham Bin Che Din	Hau Lian Hong ^
Adrian Cheah Yean Sun	Ho Ch'an Hin
Adrian Lim Tiong Yeau	Ho Sheng Yueh
Alan Ow Wui Kiat	Hong Eng Heng
Aminah Binti Noordin	Hoo Han Huat
Andre Hans Peter Scholl ^	Hor Yoon Kong #
Andrew Wong Kok Leong ^^	How May Lynn
Anne Marie Tan Hwee Hwee	Irene Sin May Lin @ Irene Wong May Lin
Atsushi Chiyoma	Jegatheesan A/L Achelingam
Azlina Binti Jaapar	Kelly Leong Wai Keong
Beh Soo Ming ^	Khaou Phallaboth
Bernard Anand A/L Paul	Khoo Chai Ee
Bhawarlal H Jain	Khoo Min Sinn
Cha Luan Kee	Khor Chen Nam
Chan Hoi Choy	Khor Seng Yan
Chan Tack Ming	Klaus Gunther Neuendorff #
Chang Kim Long	Koh Moy Poh
Che Rozita Binti Abd Aziz	Koichi Saito ^
Cheah Choon How #	Kok Shin Lin
Cheng Jew Keng	Kong Heong Fook
Cheong Hoay Wai #	Kuan Hsu ^
Chew Pek Teong	Kumaresan a/l Varadu Rasu
Chia Hon Yuen	Kwon Il Park
Chong Chang Choong	Kwon Ouk Park
Chong Kok Keong +	Kwong Tzyy En
Chong Sau Min	Lau Beng Long
Choy Le Roy ^	Lee Boon Chuan
Chua Seng Teong ^	Lee Boon Kwang
Chung Soo Kiong	Lee Chuan Seng
Datin Paduka Dr. Hajah Noraida Binti Haji Mohd #	Lee Hong Tat
Datin Paduka Norazlina Binti Zakaria	Lee Soong Hwa
Dato' Dr Charles Vijayan David	Lee Wai Ping #
Dato' Dr Ir Johari Bin Basri	Lee Weng Keng
Dato' Ir Goh Chye Koon	Liew Chee Choong
Dato' Ng Tiong Lip	Liew Kok Wing
Dato' Noordin Bin Sulaiman #	Lim Chee Siang ^^
Dato' Siow Kim Lun @ Siow Kim Lin	Lim Chin Huat
Dato' Tan Kia Loke	Lim Chin Lee
Datuk Kwan Foh Kwai	Lim Hai Poh
Datuk Lim Lian Kheng	Lim Hin Soon ^
Dodda Lingamurthy	Lim Kim Wong ^
Dr Sarinder Kumari A/P Oam Parkash ^	Lim Kwee Hiong
Dr Shiamala Devi A/P Saravana Muthu	Loo Bit Sin
Eric Tan Chee Hin	Lum Tuck Ming ^
Evan Cheah Yean Shin	Marinah Binti Mahmud #
Fawzi Bin Abd. Aziz	Mark Transfield
Fong Choon Fuoi ^	Ng Bee Lien
Fong Foo Tat	Ng Boon Liang
Foo Shiang Wyne	Ng Chee Hing
Foo Yoon Seong	Ng Chee Hwa ^^
Foong Wooi Fatt	Ng Chong Beng
Fred Chee Kin Yuen #	Ng Kok Chew
Goh Gek Heong #	Nicholas Manevski
Goh Hai Thun @ Ng Hai Thun	Oknha Sour Pheng
Gunawan Sukardi Subur	Ong Pang Yen
H.E Nhean Leng	Pathuri Veera Anjaneyulu
H.E Sok An	Peng Gai Hock #
Hajah Norita Binti Mohd Sidek ^^	Phua Swee Hock
Hajah Siti Zubaidah Binti Abd Jabar	Poh Siau Jane

LIST OF DIRECTORS OF SUBSIDIARIES (CONTD.)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows: (contd.)

Quah Kok Heng
Rabinder Singh Nijhar ^
Shigeki Komi
Sin Tong Joo
Sing Chui Boon
Soo Boon Choon #
Soo Chin Kang
Soon Chian Myau ^
Sum Kwai Mun
Takehito Fukui
Tan Beng Kwee ^
Tan Gar Peng
Tan Hwa Chuan
Tan Kim Yoke ^
Tan Lay Kuan
Tan Poh Chan
Tan Sri Dato' (Dr) R.V.Navaratnam
Tan Wee Bee
Tan Wooi Teong
Tan Yit Chong
Teh Quen Chang #
Teh Saw Ha

Teoh Joo Keng
Thomas Samuel A/L C T Samuel
Toh Seok Leng
Toh Soon Seng
Tong Sau Ching
Trixy Chua Zee Quin
U Than Oo ^
Vanessa Anne Marcus #
Wai Sow Fun
Wang Choon Hui #
Wong Ban Seng
Wong Fook Chai
Wong Kwan Song
Wong Wan Wooi
Yap Chong Koon
Yap Gee Tian ^
Yap Mui Kian #
Yeoh Yuen Chee
Yeow Boon Ban
Yong Num Heng
Yong Wei Kien #
Zaharudin Bin Mohd Sanif

^ Appointed during the financial year

^^ Appointed after the financial year but before the date of this report

Resigned during the financial year

+ Ceased as director during the financial year

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 54(a) to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 54(b) to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2018 are disclosed in Note 9 to the financial statements.

BDO PLT (LLP0018825-LCA & AF 0206) was registered on 2 January 2019 and with effect from that date, BDO (AF 0206), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2019.



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



Dato' Chew Chee Kin

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dato' Chew Chee Kin, being two of the Directors of Sunway Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 157 to 327 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 March 2019.

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

Dato' Chew Chee Kin

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chong Chang Choong, being the officer primarily responsible for the financial management of Sunway Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 157 to 327 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Chong Chang Choong
at Petaling Jaya in the State of
Selangor Darul Ehsan on 21 March 2019

Chong Chang Choong

Before me,



No. 69A, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor D.E

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sunway Berhad, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the statements of profit and loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 157 to 327.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for property development

Revenue from property development during the financial year as disclosed in Note 5 to the financial statements is RM603.9 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

Audit response

Our audit procedures included the following:

- (i) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (ii) recomputed transaction prices based on historical profit margins of the Group, and compared these transaction prices allocated to profit margins of similar contracts subsequent to the end of reporting period;
- (iii) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD

KEY AUDIT MATTERS (CONTD.)

(a) *Revenue recognition for property development (contd.)*

Audit response (contd.)

Our audit procedures included the following: (contd.)

- (iv) inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (v) compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (vi) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

(b) *Revenue recognition for construction contracts*

Revenue from construction contracts during the financial year as disclosed in Note 5 to the financial statements is RM1,748.4 million.

We determined this to be a key audit matter because it requires management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on the estimated contract work completed to date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considers the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

Audit response

Our audit procedures included the following:

- (i) inspected documentation to support the estimated total contract sum and correspondences from contract customers in relation to variations and claims to corroborate key judgements applied by management;
- (ii) inspected documentation certified by professional consultants to support the contract work performed by the Group to-date;
- (iii) inquired in-house operational and financial personnel of the Group to assess the merits of extension of time submitted to the contract customers for assessing the exposure to LAD; and
- (iv) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 53 to the financial statements.

OTHER MATTERS

As stated in Note 2 to the financial statements, Sunway Berhad adopted Malaysian Financial Reporting Standards on 1 January 2018 with a transition date of 1 January 2017. These Standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2017 and 1 January 2017, and the statements of profit and loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended 31 December 2017 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 December 2018 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2018 do not contain misstatements that materially affect the financial position as of 31 December 2018 and financial performance and cash flows for the financial year then ended.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
21 March 2019



Tang Seng Choon
02011/12/2019 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Group		Company	
		2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Revenue	5	5,410,165	5,239,279	1,106,129	323,345
Cost of sales	6	(3,734,494)	(3,508,675)	(51,864)	(40,276)
Gross profit		1,675,671	1,730,604	1,054,265	283,069
Other income	7	216,285	162,327	15,819	11,492
Administrative expenses		(733,017)	(689,754)	(20,463)	(20,820)
Selling and marketing expenses		(175,118)	(182,156)	-	-
Other expenses		(424,618)	(367,893)	(448)	(1,161)
Operating profit		559,203	653,128	1,049,173	272,580
Finance and other distribution income	8	276,146	224,317	153,766	118,587
Finance costs	8	(214,560)	(204,765)	(77,238)	(64,642)
Share of results of associates		172,322	168,613	-	-
Share of results of joint ventures		56,932	37,847	-	-
Profit before tax	9	850,043	879,140	1,125,701	326,525
Income tax expense	12	(121,649)	(149,357)	(172)	(2,130)
Profit for the financial year		728,394	729,783	1,125,529	324,395
Attributable to:					
Owners of the parent		658,383	627,472	1,125,529	324,395
Non-controlling interests		70,011	102,311	-	-
		728,394	729,783	1,125,529	324,395
Earnings per share attributable to owners of the parent (sen per share):					
Basic	13	13.32	13.04		
Diluted	13	13.30	13.00		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Profit for the financial year	728,394	729,783	1,125,529	324,395
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translations	(69,844)	(39,846)	-	-
Fair value realised on disposal of other investments	-	-	-	(228)
Cash flow hedge reserve - fair value gains/(losses)				
- Fair value gain/(loss) of derivatives	37,202	(157,945)	-	-
- Amounts recycled to profit or loss	(37,029)	161,885	-	-
Item that will not be reclassified subsequently to profit or loss				
Fair value loss on other investments at fair value through other comprehensive income	(8,906)	-	-	-
Other comprehensive loss for the financial year, net of tax	(78,577)	(35,906)	-	(228)
Total comprehensive income for the financial year	649,817	693,877	1,125,529	324,167
Total comprehensive income attributable to:				
Owners of the parent	579,895	594,460	1,125,529	324,167
Non-controlling interests	69,922	99,417	-	-
	649,817	693,877	1,125,529	324,167

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

			Group	
	Note	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)	1.1.2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	15	1,856,860	1,522,895	1,496,401
Intangible assets	16	17,748	15,333	32,811
Investment properties	17	1,942,744	2,066,760	2,008,405
Inventories	18	1,671,311	1,682,127	1,191,512
Investments in associates	20	2,084,029	1,886,876	1,726,256
Investments in joint ventures	21	1,306,632	1,741,727	1,621,672
Goodwill	22	313,893	311,814	311,812
Deferred tax assets	23	108,896	100,828	70,758
Trade receivables	24	63,838	51,407	30,380
Other receivables	25	24,956	11,351	19,380
Amounts due from joint ventures	34	1,827,921	1,242,074	1,527,168
Derivatives	26	-	34,181	164,711
Rock reserves	27	5,868	6,131	6,394
Other investments	28	122,397	813	476
Biological assets	29	234	616	825
		11,347,327	10,674,933	10,208,961
Current assets				
Inventories	18	1,857,935	1,788,430	1,871,682
Trade receivables	24	1,514,524	1,659,087	1,268,511
Other receivables	25	286,992	285,251	334,421
Contract assets	30	100,765	104,660	103,590
Placement in funds	31	2,526,479	2,035,734	2,129,635
Cash and bank balances	31	2,609,553	2,382,870	1,949,757
Derivatives	26	64,629	68,378	342,944
Amounts due from associates	33	45,577	41,446	38,852
Amounts due from joint ventures	34	99,366	113,031	230,044
Tax recoverable		68,792	57,474	39,081
		9,174,612	8,536,361	8,308,517
Assets of disposal group classified as held for sale	35	486,128	294,283	-
Total assets		21,008,067	19,505,577	18,517,478

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018 (CONTD.)

			Group	
	Note	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)	1.1.2017 RM'000 (Restated)
Equity and liabilities				
Current liabilities				
Borrowings	36	6,337,103	4,910,497	4,858,419
Trade payables	37	1,336,189	1,520,114	1,212,981
Other payables	38	1,268,581	1,126,889	871,662
Contract liabilities	30	33,772	34,669	40,649
Amounts due to associates	33	11,286	14,850	1,816
Amounts due to joint ventures	34	64,118	58,601	90,146
Advances by non-controlling interests of subsidiaries	39	-	-	146,702
Hire purchase and finance lease liabilities	40	357	552	1,626
Derivatives	26	17,227	48,315	5,560
Tax payable		33,555	26,662	30,885
		9,102,188	7,741,149	7,260,446
Non-current liabilities				
Borrowings	36	2,535,226	2,868,110	2,551,996
Deferred tax liabilities	23	146,907	121,331	94,561
Other payables	38	121,676	253,563	334,501
Amounts due to joint ventures	34	4,358	-	-
Long term liabilities	41	2,959	4,450	5,682
Hire purchase and finance lease liabilities	40	528	234	1,126
Derivatives	26	36	4,496	3,644
		2,811,690	3,252,184	2,991,510
Total liabilities		11,913,878	10,993,333	10,251,956
Equity attributable to owners of the parent				
Share capital	42	5,379,437	5,370,606	2,063,067
Treasury shares	42	(140,299)	(63,817)	(120,532)
Share premium		-	-	3,118,802
Equity contribution from a joint venture	43	51,654	51,654	51,654
Merger reserve	44	(1,192,040)	(1,192,040)	(1,192,040)
Reserves	45	3,975,611	3,724,315	3,611,730
		8,074,363	7,890,718	7,532,681
Perpetual sukuk	46	400,000	-	-
Non-controlling interests		619,826	621,526	732,841
Total equity		9,094,189	8,512,244	8,265,522
Total equity and liabilities		21,008,067	19,505,577	18,517,478

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018 (CONTD.)

			Company	
	Note	31.12.2018 RM'000	31.12.2017 RM'000 (Restated)	1.1.2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	15	162	211	1,466
Investments in subsidiaries	19	4,842,679	4,042,679	4,040,944
Investments in joint ventures	21	800	800	800
Other investments	28	78	78	3,375
		4,843,719	4,043,768	4,046,585
Current assets				
Other receivables	25	15,416	11,855	9,413
Placement in funds	31	885,000	529,511	838,822
Cash and bank balances	31	233,173	736,164	439,275
Amounts due from subsidiaries	32	2,440,612	1,746,546	1,052,814
Amounts due from associates	33	1,744	824	5
Amounts due from joint ventures	34	2,383	1,562	1,867
Tax recoverable		564	-	85
		3,578,892	3,026,462	2,342,281
Total assets		8,422,611	7,070,230	6,388,866
Equity and liabilities				
Current liabilities				
Borrowings	36	1,246,000	1,060,000	768,000
Other payables	38	67,518	27,146	27,167
Amounts due to subsidiaries	32	3,220	5,557	858
Amounts due to associates	33	-	39	-
Amounts due to joint ventures	34	-	11	-
Tax payable		-	230	-
		1,316,738	1,092,983	796,025
Non-current liabilities				
Borrowings	36	610,000	610,000	450,000
		610,000	610,000	450,000
Total liabilities		1,926,738	1,702,983	1,246,025
Equity attributable to owners of the parent				
Share capital	42	5,379,437	5,370,606	2,063,067
Share premium		-	-	3,118,802
Treasury shares	42	(140,299)	(63,817)	(120,532)
Reserves	45	856,735	60,458	81,504
		6,095,873	5,367,247	5,142,841
Perpetual sukuk	46	400,000	-	-
Total equity		6,495,873	5,367,247	5,142,841
Total equity and liabilities		8,422,611	7,070,230	6,388,866

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to owners of the parent																	
	Non-distributable												Distributable					
	Share capital (Note 42) RM'000	Treasury shares (Note 42) RM'000	Equity contribution from a joint venture (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Share option reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Fair value reserve (Note 45) RM'000	Furniture, fittings and equipment reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Retained earnings (Note 45) RM'000	Equity attributable to owners of the parent, total RM'000	Perpetual sukuk (Note 46) RM'000	Non-controlling interests RM'000	Equity, total RM'000
2018 Group																		
At 1 January 2018 (as previously reported)	5,370,606	(63,817)	51,654	(1,192,040)	134,643	826	34,450	10,596	(17,854)	-	12,536	113,046	288,243	3,389,489	7,844,135	-	643,326	8,487,461
Effects of adoption of MFRSs: (Note 55)																		
MFRS 9	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,715)	(7,715)	-	(5,056)	(12,771)
MFRS 15	-	-	-	-	-	-	-	-	-	-	-	87,130	87,130	(30,209)	56,921	-	(30)	56,891
Prior year restatements	-	-	-	-	(121)	-	(30,579)	-	-	-	-	-	(30,700)	28,077	(2,623)	-	(16,714)	(19,337)
At 1 January 2018 (restated)	5,370,606	(63,817)	51,654	(1,192,040)	134,522	826	3,871	10,596	(17,854)	-	12,536	200,176	344,673	3,379,642	7,890,718	-	621,526	8,512,244
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	658,383	658,383	-	70,011	728,394
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	-	-	173	(8,906)	-	(69,755)	(78,488)	-	(78,488)	-	(89)	(78,577)
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	3,697	-	3,697	(3,697)	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	173	(8,906)	3,697	(69,755)	(74,791)	654,686	579,895	-	69,922	649,817
Transactions with owners																		
Issuance of ordinary shares pursuant:																		
- to exercise of ESOS	8,831	-	-	-	-	-	-	(1,897)	-	-	-	-	(1,897)	-	6,934	-	-	6,934
- to exercise of warrants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400,000	-	400,000
Reversal of share options granted under ESOS	-	-	-	-	-	-	-	(1,067)	-	-	-	-	(1,067)	-	(1,067)	-	-	(1,067)
Purchase of treasury shares	-	(76,482)	-	-	-	-	-	-	-	-	-	-	-	-	(76,482)	-	-	(76,482)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,780)	-	(65,780)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(316,493)	(316,493)	-	-	(316,493)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,795)	(9,795)	-	-	(9,795)
Transfer to statutory reserve	-	-	-	-	-	353	-	-	-	-	-	-	353	(350)	3	-	(3)	-
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(210)	(210)	-	2,604	2,394
Acquisition of equity interest from non-controlling interests	-	-	-	-	(14)	-	-	-	-	-	-	-	(14)	874	860	-	(8,443)	(7,583)
Total transactions with owners	8,831	(76,482)	-	-	(14)	353	-	(2,964)	-	-	-	-	(2,625)	(325,974)	(396,250)	400,000	(71,622)	(67,872)
At 31 December 2018	5,379,437	(140,299)	51,654	(1,192,040)	134,508	1,179	3,871	7,632	(17,681)	(8,906)	16,233	130,421	267,257	3,708,354	8,074,363	400,000	619,826	9,094,189

^ Represents 202 warrants amounting to RM376.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

Attributable to owners of the parent																		
Non-distributable																		
Distributable																		
	Share capital (Note 42) RM'000	Treasury shares (Note 42) RM'000	Equity contribution from a joint venture (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Share option reserve (Note 45) RM'000	Equity contribution reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Furniture, fittings and equipment reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Retained earnings (Note 45) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000	
2017 Group																		
At 1 January 2017 (as previously reported)	2,063,067	(120,532)	3,118,802	51,654	(1,192,040)	134,657	826	34,450	63,987	21,712	(21,794)	8,370	145,649	387,857	3,160,914	7,469,722	763,508	8,233,230
Effects of adoption of MFRSs:																		
(Note 55)																		
MFRS 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,582)	(4,582)	(2,567)	(7,149)
MFRS 15	-	-	-	-	-	-	-	-	-	-	-	-	91,479	91,479	(21,315)	70,164	-	70,164
Prior year restatements	-	-	-	-	(121)	-	-	(30,579)	-	-	-	-	-	(30,700)	28,077	(2,623)	(28,100)	(30,723)
At 1 January 2017 (restated)	2,063,067	(120,532)	3,118,802	51,654	(1,192,040)	134,536	826	3,871	63,987	21,712	(21,794)	8,370	237,128	448,636	3,163,094	7,532,681	732,841	8,265,522
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	627,472	627,472	102,311	729,783
Other comprehensive income/(loss), net of tax	-	-	-	-	-	-	-	-	-	3,940	-	(36,952)	(33,012)	-	(33,012)	(2,894)	(35,906)	
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	-	4,166	4,166	(4,166)	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	3,940	4,166	(36,952)	(28,846)	623,306	594,460	99,417	693,877	
Transactions with owners																		
Issuance of ordinary shares pursuant:																		
- to exercise of ESOS	188,352	-	383	-	-	-	-	(44,711)	-	-	-	-	(44,711)	-	144,024	-	144,024	
- to exercise of warrants	2	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	2	
Bonus issue of shares	2,799,886	-	(2,799,886)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reversal of share options granted under ESOS	-	-	-	-	-	-	-	(8,680)	-	-	-	-	(8,680)	-	(8,680)	-	(8,680)	
Purchase of treasury shares	-	(6,961)	-	-	-	-	-	-	-	-	-	-	-	-	(6,961)	-	(6,961)	
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(581)	(581)	(713)	(1,294)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,164)	(48,164)	
Dividends paid by the Company	-	63,676	-	-	-	-	-	-	-	-	-	-	-	(291,822)	(228,146)	-	(228,146)	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400	
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,112)	(3,112)	4,390	1,278	
Redemption of redeemable preference shares in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,300)	(23,300)	
Redemption of equity contribution reserves by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)	(3,000)	
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total transactions with owners	2,988,240	56,715	(2,799,503)	-	-	(14)	-	-	(53,391)	(21,712)	-	-	(21,726)	(111,243)	(132,969)	(140,345)	(273,314)	
Transfer pursuant to Companies Act 2016 *	319,299	-	(319,299)	-	-	-	-	-	-	-	-	-	(75,117)	(406,758)	(236,423)	(210,732)	(447,155)	
At 31 December 2017	5,370,606	(63,817)	-	51,654	(1,192,040)	134,522	826	3,871	10,596	-	(17,854)	12,536	344,673	3,379,642	7,890,718	621,526	8,512,244	

Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016 in Malaysia, the credit balance in the share premium account, after taking into consideration bonus issue of shares in the previous financial year, was transferred to the share capital account.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

Company	Non-distributable			Distributable		
	Share capital (Note 42) RM'000	Treasury shares (Note 42) RM'000	Share options reserve (Note 45) RM'000	Retained earnings (Note 45) RM'000	Perpetual sukuk (Note 46) RM'000	Equity, total RM'000
At 1 January 2018 (as previously reported)	5,370,606	(63,817)	7,426	53,988	-	5,368,203
Effects of adoption of MFRS 9 (Note 55)	-	-	-	(956)	-	(956)
At 1 January 2018 (restated)	5,370,606	(63,817)	7,426	53,032	-	5,367,247
Profit for the financial year	-	-	-	1,125,529	-	1,125,529
Other comprehensive loss, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	1,125,529	-	1,125,529
Issuance of ordinary shares pursuant:						
- to exercise of ESOS	8,831	-	(1,897)	-	-	6,934
- to exercise of warrants	- [^]	-	-	-	-	- [^]
Issuance of perpetual sukuk	-	-	-	-	400,000	400,000
Reversal of share options granted under ESOS	-	-	(1,067)	-	-	(1,067)
Purchase of treasury shares	-	(76,482)	-	-	-	(76,482)
Dividends paid	-	-	-	(316,493)	-	(316,493)
Distribution to holders of perpetual sukuk	-	-	-	(9,795)	-	(9,795)
At 31 December 2018	5,379,437	(140,299)	4,462	852,273	400,000	6,495,873

[^] Represents 202 warrants amounting to RM376.

Company	Non-distributable				Distributable		
	Share capital (Note 42) RM'000	Treasury shares (Note 42) RM'000	Share premium RM'000	Share options reserve (Note 45) RM'000	Fair value reserve (Note 45) RM'000	Retained earnings (Note 45) RM'000	Equity, total RM'000
At 1 January 2017 (as previously reported)	2,063,067	(120,532)	3,118,802	60,817	228	21,031	5,143,413
Effects of adoption of MFRS 9 (Note 55)	-	-	-	-	-	(572)	(572)
At 1 January 2017 (restated)	2,063,067	(120,532)	3,118,802	60,817	228	20,459	5,142,841
Profit for the financial year	-	-	-	-	-	324,395	324,395
Other comprehensive loss, net of tax	-	-	-	-	(228)	-	(228)
Total comprehensive income	-	-	-	-	(228)	324,395	324,167
Issuance of ordinary shares pursuant:							
- to exercise of ESOS	188,352	-	383	(44,711)	-	-	144,024
- to exercise of warrants	2	-	-	-	-	-	2
Bonus issue of shares	2,799,886	-	(2,799,886)	-	-	-	-
Reversal of share options granted under ESOS	-	-	-	(8,680)	-	-	(8,680)
Purchase of treasury shares	-	(6,961)	-	-	-	-	(6,961)
Dividends paid	-	63,676	-	-	-	(291,822)	(228,146)
Transfer pursuant to Companies Act 2016 *	319,299	-	(319,299)	-	-	-	-
At 31 December 2017	5,370,606	(63,817)	-	7,426	-	53,032	5,367,247

* Pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016 in Malaysia, the credit balance in the share premium account, after taking into consideration bonus issue of shares in the previous financial year, was transferred to the share capital account.

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	850,043	879,140	1,125,701	326,525
Adjustments for:				
Finance and other distribution income	(276,146)	(224,317)	(153,766)	(118,587)
Finance costs	214,560	204,765	77,238	64,642
Dividend income	(2,387)	-	(1,060,625)	(275,300)
Distribution of income from real estate investment trust	-	-	-	(44)
Depreciation and amortisation	149,605	129,905	197	631
Fair value gain on:				
- derivatives	(1,773)	(442)	-	-
- investment properties	(43,432)	(28,305)	-	-
- investment properties under construction	-	(6,639)	-	-
Fair value loss on:				
- derivatives	1,097	5,036	-	-
- investment properties	20,383	15,066	-	-
Gain on disposal of:				
- assets held for sale	(1,592)	-	-	-
- property, plant and equipment	(1,936)	(7,701)	-	-
- subsidiaries	(936)	-	-	-
- joint venture	(738)	-	-	-
- other investments	-	(9)	-	(209)
Gain on divestment of a subsidiary to a joint venture	(5,084)	-	-	-
Gain on dilution of equity interest in an associate	-	(209)	-	-
Gain on re-measurement of remaining interest held as a joint venture	(7,500)	-	-	-
Gain on liquidation of a subsidiary	-	(1,549)	-	-
Impairment losses on:				
- trade and other receivables	16,115	45,180	-	-
- amounts due from subsidiaries	-	-	387	384
- amounts due from associates	15	116	1	-
- amounts due from joint ventures	4,375	32,564	1	-
- contract assets	164	5	-	-
- intangible assets	-	18,075	-	-
- goodwill	-	498	-	-
- investment in an associate	16	-	-	-
Loss on disposal of:				
- a subsidiary	-	1,767	-	-
- an associate	29	-	-	-
- property, plant and equipment	556	1,050	-	-
Net cash generated from/(used in) operating activities carried forward	915,434	1,063,996	(10,866)	(1,958)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Net cash generated from/(used in) operating activities brought forward	915,434	1,063,996	(10,866)	(1,958)
Net unrealised foreign exchange losses/(gains):				
- hedged items	37,029	(161,885)	-	-
- others	2,904	(3,617)	10	-
Cash flow hedge recycled to profit or loss	(37,029)	161,885	-	-
Reversal of allowance for impairment of:				
- trade and other receivables	(24,567)	(8,048)	-	-
- investment in a joint venture	-	(3,867)	-	-
- land held for property development	-	(146)	-	-
- intangible assets	(7,656)	-	-	-
- amounts due from joint ventures	(66)	(45)	-	-
- amounts due from associates	(158)	-	-	-
Share of results of:				
- associates	(172,322)	(168,613)	-	-
- joint ventures	(56,932)	(37,847)	-	-
Share options (reversed)/granted under ESOS	(1,651)	(8,768)	(37)	299
Net movements in unrealised loss/(profit) arising from construction project	24,019	(3,281)	-	-
Write down of inventories to net realisable value	2,280	1,286	-	-
Write up of inventories to net realisable value	(877)	(730)	-	-
Write off of:				
- bad debts	3,395	2,402	-	-
- biological assets	-	4	-	-
- inventories	1,343	775	-	-
- property, plant and equipment	5,733	2,343	2	693
- intangible assets	35	-	-	-
Operating profit/(loss) before working capital changes	690,914	835,844	(10,891)	(966)
Changes in working capital:				
Land held for property development	15,616	(95,316)	-	-
Inventories	(259,423)	(65,080)	-	-
Trade receivables	133,895	(457,440)	-	-
Other receivables	(48,682)	59,494	(3,561)	(2,442)
Contract assets	3,731	(1,075)	-	-
Trade payables	(181,630)	309,043	-	-
Other payables	185,931	99,306	40,372	(21)
Long term payables	(38,446)	(81,196)	-	-
Contract liabilities	(897)	(5,980)	-	-
Cash generated from/(used in) operations	501,009	597,600	25,920	(3,429)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Cash generated from/(used in) operations				
brought forward	501,009	597,600	25,920	(3,429)
Interest received	277,212	227,564	153,766	118,587
Dividends received from:				
- joint ventures and associates	175,664	143,336	19,200	14,800
- subsidiaries	-	-	1,041,425	260,500
- other investment	2,387	15	-	-
- Distribution of income from real estate investment trust	-	-	-	44
Tax refunded	-	3,221	-	-
Tax paid	(109,186)	(178,187)	(966)	(1,815)
Net cash from operating activities	847,086	793,549	1,239,345	388,687
Cash flows from investing activities				
Acquisitions of:				
- biological assets	(22)	(264)	-	-
- business	(2,079)	(500)	-	-
- equity interest from non-controlling interests	(7,583)	(273,314)	-	-
- intangible assets	(10,655)	(7,710)	-	-
- investment properties and investment properties under construction	(64,103)	(15,325)	-	-
- land held for property development	(274,285)	(212,683)	-	-
- other investments	(130,490)	(580)	-	-
- property, plant and equipment	(464,068)	(396,575)	(150)	(80)
- subsidiaries for cash, net of cash acquired	15	(3,164)	-	(1,735)
Proceeds from disposal of:				
- investment in a joint venture	122,832	-	-	-
- intangible assets	7	15	-	-
- other investments	-	237	-	3,278
- property, plant and equipment	3,581	32,454	-	11
- assets held for sale	394,308	-	-	-
- a subsidiary	5,000	-	-	-
Proceeds from acquisition of equity interest by non-controlling interests	2,394	1,278	-	-
Additional interests acquired:				
- subsidiaries	-	-	(800,000)	-
- joint ventures	(52,563)	(8,927)	-	-
- associates	(191,388)	(96,360)	-	-
Net cash (used in)/from investing activities carried forward	(669,099)	(981,418)	(800,150)	1,474

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Net cash (used in)/from investing activities				
brought forward	(669,099)	(981,418)	(800,150)	1,474
Net cash inflows of disposal of a subsidiary	372	2,927	-	-
Advances (to)/from:				
- subsidiaries	-	-	(697,821)	(698,396)
- associates and joint ventures	(619,081)	344,011	(1,792)	(464)
Net cash flows from licensed banks and other financial institutions with maturity of over 3 months	12,038	42,690	6,013	48,920
Net cash flows from fund placements	(490,745)	93,901	(355,489)	309,311
Quasi-equity loan repaid by/(advanced to) joint venture	353,115	(112,228)	-	-
Net cash outflow from subsidiaries become joint ventures	-	(91)	-	-
Net cash used in investing activities	(1,413,400)	(610,208)	(1,849,239)	(339,155)
Cash flows from financing activities				
Drawdown of:				
- term loans	1,720,021	1,451,004	-	-
- revolving credits	896,002	627,475	240,000	160,000
- commercial papers	1,874,000	1,027,000	694,000	722,000
- medium term notes	1,360,000	770,062	-	160,000
- other bank borrowings	2,046,897	1,705,544	-	-
Repayments of:				
- hire purchase and finance lease liabilities	(674)	(1,966)	-	-
- term loans	(2,511,753)	(1,805,985)	-	-
- revolving credits	(401,993)	(97,945)	(240,000)	(80,000)
- commercial papers	(1,428,000)	(1,100,000)	(508,000)	(360,000)
- medium term notes	(401,278)	(148,784)	-	(150,000)
- other bank borrowings	(2,022,626)	(1,665,867)	-	-
Proceeds from issuance of ordinary shares pursuant:				
- to exercise of warrants	-^	2	-^	2
- to exercise of ESOS	6,934	144,024	6,934	144,024
Interest paid	(214,560)	(204,765)	(77,238)	(64,642)
Net cash from financing activities	922,970	699,799	115,696	531,384

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Net cash from financing activities brought forward	922,970	699,799	115,696	531,384
Redemption of:				
- redeemable preference shares in subsidiaries	-	(23,300)	-	-
- equity contribution reserves by non-controlling interest	-	(3,000)	-	-
Repayments of advances to non-controlling interests of a subsidiary	-	(146,702)	-	-
Dividends paid	(316,493)	(228,146)	(316,493)	(228,146)
Dividends paid to non-controlling interests in subsidiaries	(65,780)	(48,164)	-	-
Shares buyback	(76,482)	(8,255)	(76,482)	(6,961)
Issuance of perpetual sukuk	400,000	-	400,000	-
Distribution paid to holders of perpetual sukuk	(9,795)	-	(9,795)	-
Net cash from financing activities	854,420	242,232	112,926	296,277
Net cash from operating activities	847,086	793,549	1,239,345	388,687
Net cash used in investing activities	(1,413,400)	(610,208)	(1,849,239)	(339,155)
Net cash from financing activities	854,420	242,232	112,926	296,277
Net increase/(decrease) in cash and cash equivalents	288,106	425,573	(496,968)	345,809
Effects of exchange rate changes on cash and cash equivalents	(17,124)	(12,166)	(10)	-
Cash and cash equivalents at beginning of financial year	2,236,900	1,823,493	730,131	384,322
Cash and cash equivalents at end of financial year (Note 31)	2,507,882	2,236,900	233,153	730,131

^ Represents 202 warrants amounting to RM376.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

Sunway Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company are located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

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

The principal activities of the subsidiaries are set out in Note 53 to the financial statements.

The immediate and ultimate holding companies of the Company are Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution by the Board of Directors on 21 March 2019.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

These are the first financial statements of the Group and of the Company prepared in accordance with MFRSs and IFRSs and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (“FRSs”) in Malaysia.

The Group and Company have consistently applied the same accounting policies in its opening MFRS statements of financial position as at 1 January 2017 and throughout all financial years presented, as if these policies had always been in effect. Comparative figures for the financial year ended 31 December 2017 in these financial statements have been restated to give effect to these changes, and Note 55 to the financial statements discloses the new MFRSs, amendments to MFRSs adopted during the financial year, the impact of the transition to MFRSs and prior year restatements on the Group’s and Company’s reported financial position and financial performance for the financial year then ended.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand (“RM’000”), unless otherwise stated.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. In addition, the businesses are also considered from a geographical perspective. The Group’s reportable segments are as follows:

- (i) Property development - development of residential and commercial properties.
- (ii) Property investment - management, operation and letting of properties, operation of theme parks, rendering recreational club facilities, travel agent and time sharing businesses, management and operation of hotels, investment in real estate investment fund.
- (iii) Construction - construction of building and civil works and provision of mechanical, electrical and piling works.
- (iv) Trading and manufacturing - trading and manufacturing of construction and industrial products and building materials.
- (v) Quarry - quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.
- (vi) Investment holdings - management and letting of properties, provision of financial services to companies within the Group, as well as holding of investment in the shares of subsidiaries, associates and other investments.
- (vii) Others - management and operation of a medical centre, manufacturing of vitrified clay pipes, concrete pipes, interlocking pavers, pretensioned spun concrete piles, precast micro injection piles, reinforced concrete piles, euro tiles, blocks and concrete products, provision of secretarial and share registration services, provision of management services, underwriting of insurance, lease and hire purchase financing, interior design and renovation, loyalty program, investment in online media, electronic parcel locker operator, operation of petrol kiosk, online remittance and money services, and retail of pharmaceutical products.

Except as indicated above, no operating segments has been aggregated to form the above reportable segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue and expenses include transfers between business segments that are eliminated on consolidation. Segment results exclude the effects of transfers between business segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
At 31 December 2018										
Revenue										
Sales to external customers	619,587	814,806	1,847,872	1,103,353	223,355	7,623	793,569	-		5,410,165
Inter-segment revenue	216,173	164,736	1,201,163	147,145	19,677	1,852,139	106,296	(3,707,329)	A	-
Total revenue	835,760	979,542	3,049,035	1,250,498	243,032	1,859,762	899,865	(3,707,329)		5,410,165
Results										
Operating profit/(loss)	117,777	214,100	181,113	60,905	10,673	(104,381)	79,016	-		559,203
Finance and other distribution income	28,406	7,208	16,458	2,041	717	195,797	25,519	-		276,146
Finance costs	(18,515)	(124,747)	(7,872)	(14,649)	(2,674)	(26,839)	(19,264)	-		(214,560)
Share of results of associates	3	169,014	-	-	-	-	3,305	-		172,322
Share of results of joint ventures	30,745	25,600	587	-	-	-	-	-		56,932
Profit before tax	158,416	291,175	190,286	48,297	8,716	64,577	88,576	-		850,043
Income tax	(14,639)	(63,436)	(40,490)	(9,462)	240	11,842	(5,704)	-		(121,649)
Net profit for the year	143,777	227,739	149,796	38,835	8,956	76,419	82,872	-		728,394
Non-controlling interests	(4,827)	163	(68,350)	(3,513)	(185)	7,038	(337)	-		(70,011)
Attributable to owners of the parent	138,950	227,902	81,446	35,322	8,771	83,457	82,535	-		658,383

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)**Business segments (contd.)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
At 31 December 2018 (contd.)										
Assets										
Segment assets	5,126,105	3,141,938	1,897,029	966,951	176,147	12,767,391	1,983,749	(8,619,592)		17,439,718
Investments in associates	-	1,919,465	-	-	-	-	164,564	-		2,084,029
Investments in joint ventures	1,116,049	145,844	44,739	-	-	-	-	-		1,306,632
Unallocated assets										177,688
Total assets										21,008,067
Liabilities										
Segment liabilities	3,668,684	3,324,064	1,345,067	620,542	152,004	9,903,899	1,360,472	(8,641,316)		11,733,416
Unallocated liabilities										180,462
Total liabilities										11,913,878
Other segment information										
Capital expenditure	224,258	87,796	56,168	19,633	4,057	150	238,193	-	B	630,255
Depreciation and amortisation	2,437	38,491	39,964	10,242	10,242	269	47,960	-		149,605

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
At 31 December 2017 (Restated)										
Revenue										
Sales to external customers	935,250	784,247	1,627,656	996,468	202,071	5,212	688,375	-		5,239,279
Inter-segment revenue	103,416	181,445	1,228,957	292,923	12,688	602,766	95,850	(2,518,045)	A	-
Total revenue	1,038,666	965,692	2,856,613	1,289,391	214,759	607,978	784,225	(2,518,045)		5,239,279
Results										
Operating profit/(loss)	194,283	200,667	178,944	61,017	8,742	(76,442)	85,917	-		653,128
Finance and other distribution income										
Finance costs	30,502 (19,692)	31,612 (143,419)	13,958 (5,874)	1,119 (13,342)	209 (1,932)	126,888 (12,305)	20,029 (8,201)	-		224,317 (204,765)
Share of results of associates	1	166,136	-	-	-	-	2,476	-		168,613
Share of results of joint ventures	36,945	321	581	-	-	-	-	-		37,847
Profit before tax	242,039	255,317	187,609	48,794	7,019	38,141	100,221	-		879,140
Income tax	(54,118)	(44,859)	(40,092)	(13,638)	2,479	12,420	(11,549)	-		(149,357)
Net profit for the year	187,921	210,458	147,517	35,156	9,498	50,561	88,672	-		729,783
Non-controlling interests	(33,518)	(2,761)	(69,299)	(2,731)	(180)	6,525	(347)	-		(102,311)
Attributable to owners of the parent	154,403	207,697	78,218	32,425	9,318	57,086	88,325	-		627,472

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
At 31 December 2017 (Restated) (contd.)										
Assets										
Segment assets	5,128,661	3,233,578	1,989,876	971,067	164,592	10,824,952	1,674,276	(8,268,330)		15,718,672
Investments in associates	30,536	1,798,124	-	269	-	-	57,947	-		1,886,876
Investments in joint ventures	1,602,227	139,500	-	-	-	-	-	-		1,741,727
Unallocated assets										158,302
Total assets										19,505,577
Liabilities										
Segment liabilities	3,689,738	4,418,852	1,445,834	611,238	126,727	8,085,694	1,120,587	(8,653,330)		10,845,340
Unallocated liabilities										147,993
Total liabilities										10,993,333
Other segment information										
Capital expenditure	14,541	37,765	54,691	28,683	20,170	212	270,404	-	B	426,466
Depreciation and amortisation	1,845	29,807	37,772	10,923	9,347	724	39,487	-		129,905

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)

Geographical segments

The following table provides an analysis of the Group's revenue, profit/(loss) before tax, net profit/(loss), profit/(loss) attributable to owners of the parent and assets by geographical segment:

	Revenue from contracts with customers (Note 5) RM'000	Other revenue (Note 5) RM'000	Total revenue (Note 5) RM'000	Profit/ (loss) before tax RM'000	Net profit/ (loss) RM'000	Net profit/(loss) attributable to owners of the parent RM'000	Segment assets RM'000
At 31 December 2018							
Malaysia	4,687,234	173,230	4,860,464	781,585	666,808	600,531	16,261,360
Singapore	175,787	-	175,787	38,990	37,982	38,923	576,133
China	224,906	-	224,906	14,949	13,679	11,756	346,261
India	-	-	-	(847)	(847)	(681)	1,118
Australia	37,993	-	37,993	5,387	3,511	1,491	104,256
Abu Dhabi	-	-	-	1,166	1,166	621	21,272
Other countries	111,015	-	111,015	8,813	6,095	5,742	129,318
	5,236,935	173,230	5,410,165	850,043	728,394	658,383	17,439,718

At 31 December 2017 (Restated)

Malaysia	4,570,847	165,082	4,735,929	802,531	660,636	572,069	14,640,298
Singapore	194,784	-	194,784	61,596	59,425	51,006	477,718
China	156,799	-	156,799	(6,503)	(7,584)	(8,438)	359,982
India	-	-	-	(58)	(58)	(58)	887
Australia	42,048	-	42,048	5,505	5,152	3,470	89,176
Abu Dhabi	-	-	-	5,112	5,112	2,713	26,953
Other countries	109,719	-	109,719	10,957	7,100	6,710	123,658
	5,074,197	165,082	5,239,279	879,140	729,783	627,472	15,718,672

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SEGMENT INFORMATION (CONTD.)

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Capital expenditures consist of:

	2018 RM'000	2017 RM'000 (Restated)
Property, plant and equipment	464,841	396,575
Intangible assets	10,655	7,710
Biological assets	22	264
Investment properties	154,737	21,917
	630,255	426,466

4. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's and the Company's capital management is the maintenance of a strong credit rating and healthy capital ratio, in order to support the Group's businesses and maximising shareholders' value.

The Group and the Company manage their capital structure by ensuring that financial commitments are met as and when they fall due. In addition, divestment of the Group's non-core assets, which provides low returns are also made to optimise the capital structure of the Group.

The Group and the Company monitor capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as net debt divided by total equity. Net debt includes total borrowings net of cross currency swap less cash and bank balances and placement in funds.

	Note	Group		Company	
		2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Borrowings		8,872,329	7,778,607	1,856,000	1,670,000
Less: Cross currency swap		(48,576)	(51,638)	-	-
Net borrowings after cross currency swap	36	8,823,753	7,726,969	1,856,000	1,670,000
Hire purchase and finance lease liabilities	40	885	786	-	-
Less:					
Cash and bank balances	31	(2,609,553)	(2,382,870)	(233,173)	(736,164)
Placement in funds	31	(2,526,479)	(2,035,734)	(885,000)	(529,511)
Net debt		3,688,606	3,309,151	737,827	404,325
Total equity		9,094,189	8,512,244	6,495,873	5,367,247
Gearing ratio		41%	39%	11%	8%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk and market risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits and funds.

The Group's and the Company's interest rate risk arises primarily from interest bearing borrowings. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into interest rate swap contracts to hedge the floating rate interest payable on certain borrowings. At the end of the reporting period, approximately 84% (2017: 71%) of the Group's borrowings after cross currency swap are at fixed rates of interest.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 24, 31, 32, 34 and 36 to the financial statements.

Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia ("RM") except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB") and Australian Dollar ("AUD"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 10% (2017: 10%) of the Group's sales are denominated in foreign currencies whilst almost 10% (2017: 10%) of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM139.5 million (2017: RM195.8 million).

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts and cross currency swap contracts.

The Group and the Company entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings, which were entered into to minimise the interest cost. These cross currency swap contracts have expiry periods within 3 months to 8 months (2017: 1 month to 16 months).

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure

The currency risk exposure profiles for each class of financial instruments are as follows:

Group	SGD		USD		RMB		AUD		Others	
	<1 year	>1 year	<1 year	>1 year	<1 year	>1 year	<1 year	>1 year	<1 year	>1 year
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2018										
Financial assets in foreign currencies										
Cash and bank balances	19,754	-	5,662	-	31,502	-	69,655	-	12,897	-
Trade and other receivables	121,095	-	9,151	-	74,819	-	4,190	5,613	45,589	-
Financial liabilities in foreign currencies										
Trade and other payables	(10,918)	-	(12,958)	-	(62,200)	-	(5,829)	-	(17,315)	-
Borrowings	(280,002)	-	(1,693,501)	-	(1,568)	-	(391,654)	-	(11,512)	-
Less: hedged portion	229,784	-	1,016,995	-	-	-	389,324	-	-	-
Borrowings - unhedged portion	(50,218)	-	(676,506)	-	(1,568)	-	(2,330)	-	(11,512)	-
Net exposure	79,713	-	(674,651)	-	42,553	-	65,686	5,613	29,659	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure (contd.)

The currency risk exposure profiles for each class of financial instruments are as follows: (contd.)

Group	SGD		USD		RMB		AUD		Others	
	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000
At 31 December 2017										
Financial assets in foreign currencies										
Cash and bank balances	45,216	-	9,851	-	78,925	-	39,921	-	21,890	-
Trade and other receivables	80,511	-	6,768	-	73,905	-	12,060	-	32,950	-
Financial liabilities in foreign currencies										
Trade and other payables	(25,020)	-	(16,231)	(1,021)	(78,714)	-	(7,046)	-	(35,835)	-
Borrowings	-	(273,987)	(2,106,348)	-	(14,412)	-	(1,127)	-	(2,133)	-
Less: hedged portion	-	229,845	1,735,755	-	-	-	-	-	-	-
Borrowings - unhedged portion	-	(44,142)	(370,593)	-	(14,412)	-	(1,127)	-	(2,133)	-
Net exposure	100,707	(44,142)	(370,205)	(1,021)	59,704	-	43,808	-	16,872	-
Company										
At 31 December 2018/2017										

The currency risk exposure profile of the Company is not presented as its exposure to foreign currencies was not material at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Company, with all other variables held constant.

	Group		Company	
	2018	2017	2018	2017
Profit net of tax	RM'000	RM'000	RM'000	RM'000
SGD/RM				
- strengthen 1% (2017: 2%)	733	1,137	-	-
- weaken 1% (2017: 2%)	(733)	(1,137)	-	-
USD/RM				
- strengthen 2% (2017: 3%)	(7,570)	(7,356)	-	-
- weaken 2% (2017: 3%)	7,570	7,356	-	-
RMB/RM				
- strengthen 1% (2017: 4%)	341	1,950	-	-
- weaken 1% (2017: 4%)	(341)	(1,950)	-	-
AUD/RM				
- strengthen 3% (2017: 2%)	1,752	480	-	-
- weaken 3% (2017: 2%)	(1,752)	(480)	-	-

Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 26, 32, 33, 34, 36, 37 and 38 to the financial statements.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arise primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The credit risk concentration profiles have been disclosed in Note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. They are held for strategic rather than trading purposes. The Group does not actively trade these investments. These instruments are classified as financial assets designated at fair value through other comprehensive income.

To manage its price risk arising from investments in shares, funds and bonds, the Group diversifies its portfolio in accordance with the limits set by the Group.

The sensitivity analysis of market risk has been disclosed in Note 28 to the financial statements.

5. REVENUE

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Revenue from contracts with customers:				
Property development:				
- sale of properties under development	570,109	893,488	-	-
- sale of completed properties	33,813	33,617	-	-
Revenue from construction contracts	1,748,434	1,530,978	-	-
Sales of goods and services	2,863,614	2,595,504	-	-
Time sharing fees	2,234	2,060	-	-
Property management fees	9,389	8,637	-	-
Management fees from:				
- Subsidiaries	-	-	42,449	44,895
- External parties	9,342	9,913	3,055	3,106
	5,236,935	5,074,197	45,504	48,001
Other revenue:				
- Interest advances & share financing	5,416	3,495	-	-
- Rental income	165,026	160,998	-	-
- Lease and hire purchase	401	589	-	-
- Dividend income from:				
- Subsidiaries	-	-	1,041,425	260,500
- A joint venture	-	-	19,200	14,800
- Other investments	2,387	-	-	-
- Distribution of income from real estate investment trust	-	-	-	44
	5,410,165	5,239,279	1,106,129	323,345

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. REVENUE (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Timing of revenue recognition:				
Products and services transferred over time	2,339,508	2,445,076	45,504	48,001
Products and services transferred at a point in time	2,897,427	2,629,121	-	-
Revenue from contracts with customers	5,236,935	5,074,197	45,504	48,001

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 3 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

(a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue from property development

Revenue from property development is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

Revenue from construction contracts

Revenue from construction contracts is recognised over the period of the contract using the output method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time. The output method recognises revenue on the basis of direct measurements of value to the customer of the construction work performed to date relative to the remaining construction work promised under the contract.

If control of asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. REVENUE (CONTD.)

- (a) Revenue from property development and construction contracts (contd.)

Revenue from construction contracts (contd.)

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to Liquidated Ascertained Damage ("LAD") based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays. In making these judgements, the Group evaluates based on experience and by relying on the work of specialists.

Based on the assessment of the exposures to LAD for the relevant construction contracts, the Directors are of the opinion that no provision for LAD is necessary at this juncture.

Information on receivables, contract assets and contract liabilities from contracts with customers are disclosed in Notes 24, 25 and 30 to the financial statements respectively.

- (b) Sale of completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

- (c) Sale of goods and services, rights of enjoyment and club subscription fees

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are sold.

Club subscription fees are recognised on the accrual basis.

- (d) Property management fees

Revenue from property management fees are recognised over time as income when the customer receives and consumes the benefits.

- (e) Time share revenue

Membership fees are recognised over the membership period.

Annual maintenance fees are recognised on the accrual basis based on fees chargeable to members upon execution and renewal of the membership.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

5. REVENUE (CONTD.)

(f) Management fees

Management fees from the management of real estate investment funds activity and the provision of management services to subsidiaries are recognised over time when subsidiaries simultaneously receives and consumes the benefits.

(g) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(h) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the effective yield basis method.

(i) Dividend income and distribution of income from real estate investment trust

Dividend income and distribution of income from real estate investment trust are recognised when the right of the Group to receive payment is established.

6. COST OF SALES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Property development costs:				
- current year (Note 18(b))	(362,142)	(559,880)	-	-
- over recognised in prior years	-	1,535	-	-
Cost of completed properties sold	(27,566)	(23,483)	-	-
Construction contract costs	(1,434,695)	(1,234,703)	-	-
Cost of goods sold and services rendered	(1,905,556)	(1,687,647)	(51,864)	(40,276)
Lease and hire purchase	(4,506)	(4,388)	-	-
Cost of time sharing business operations	(29)	(109)	-	-
	(3,734,494)	(3,508,675)	(51,864)	(40,276)

7. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Bad debts recovered	1,085	731	-	-
Fair value gain on:				
- investment properties (Note 17)	43,432	28,305	-	-
- investment properties under construction (Note 17)	-	6,639	-	-
- derivatives	1,773	442	-	-
Gain on disposal of:				
- assets held for sale	1,592	-	-	-
- property, plant and equipment	1,936	7,701	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7. OTHER INCOME (CONTD.)

Included in other income are the following: (contd.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Gain on disposal of: (contd.)				
- a subsidiary	936	-	-	-
- a joint venture	738	-	-	-
- other investments	-	9	-	209
Gain on divestment of a subsidiary				
to a joint venture (Note 19(h))	5,084	-	-	-
Corporate guarantee commission fee	-	-	15,644	10,961
Gain on liquidation of a subsidiary	-	1,549	-	-
Gain on re-measurement of remaining interest				
held as a joint venture (Note 19(h))	7,500	-	-	-
Gain on dilution of equity interest in				
an associate	-	209	-	-
Rental income:				
- equipment	385	634	-	-
- land and buildings	13,328	12,970	-	-
- others	5,121	3,628	-	-
Reversal of allowance for impairment:				
- investment in a joint venture	-	3,867	-	-
Write up of inventories to				
net realisable value (Note 18)	877	730	-	-
Foreign exchange gain:				
- realised	39,239	22,213	1	87
- unrealised	3,460	4,749	-	-
- unrealised (hedged items)	-	161,885	-	-
Cash flow hedge reserve recycled				
to profit or loss	-	(161,885)	-	-

8. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Finance and other distribution income				
Finance and other distribution income from:				
- Advances to a subsidiary	-	-	91,941	71,603
- Advances to joint ventures	74,097	65,687	-	-
- Accretion of interest	14	1,080	-	-
- Deposits with licensed banks	9,316	22,726	251	474
- Placement in funds	187,848	131,306	61,574	46,510
- Others	4,871	3,518	-	-
	276,146	224,317	153,766	118,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Finance costs				
Interest expense in relation to:				
- Hire purchase and finance lease liabilities	(53)	(214)	-	-
- Bank overdrafts	(137)	(20)	-	-
- Revolving credits	(18,295)	(20,879)	(1,325)	(2,677)
- Commercial papers and medium term notes	(158,729)	(139,973)	(75,913)	(61,965)
- Term loans	(23,619)	(31,660)	-	-
- Bankers' acceptances	(7,143)	(5,980)	-	-
- Bills discounting	(4,092)	(3,245)	-	-
Others	(2,492)	(2,794)	-	-
	(214,560)	(204,765)	(77,238)	(64,642)

Interest income

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

9. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Auditors' remuneration:				
- statutory audits	3,121	3,317	292	255
- other services	22	38	18	25
Foreign exchange loss:	-			
- realised	7,084	20,449	-	-
- unrealised	6,364	1,132	10	-
- unrealised (hedged items)	37,029	-	-	-
Cash flow hedge reserve recycled to profit or loss	(37,029)	-	-	-
Fair value loss on:				
- investment properties (Note 17)	20,383	15,066	-	-
- derivatives	1,097	5,036	-	-
Write down of inventories to net realisable value (Note 18)	2,280	1,286	-	-
Loss on disposal of:				
- property, plant and equipment	556	1,050	-	-
- a subsidiary	-	1,767	-	-
- an associate	29	-	-	-
Write off of:				
- bad debts	3,395	2,402	-	-
- biological assets	-	4	-	-
- inventories (Note 18)	1,343	775	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. PROFIT BEFORE TAX (CONTD.)

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax: (contd.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Write off of: (contd.)				
- property, plant and equipment	5,733	2,343	2	693
- intangible assets	35	-	-	-
Rental expense:				
- land and buildings	113,553	122,859	2,404	2,145
- plant and equipment	8,582	9,510	139	79
- others	4,013	5,450	40	41
Direct operating expenses arising from investment properties that generated rental income	36,824	30,684	-	-

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Wages, salaries and bonuses	703,277	664,513	46,859	37,355
Social security contributions	7,160	6,123	152	131
Contributions to defined contribution plan	78,823	69,294	7,448	5,630
Share options (reversed)/granted under ESOS	(1,651)	(8,768)	(37)	299
Other benefits	106,711	97,054	5,014	4,638
	894,320	828,216	59,436	48,053

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM44,071,000 (2017: RM41,246,000) and RM15,891,000 (2017: RM14,741,000) as further disclosed in Note 11 to the financial statements.

11. DIRECTORS' REMUNERATION

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration:				
Fees	100	100	-	-
Emoluments	43,971	41,146	15,891	14,741
Total Executive Directors' remuneration (excluding benefits-in-kind) (Note 10)	44,071	41,246	15,891	14,741
Estimated money value of benefits-in-kind	161	142	130	112
Total Executive Directors' remuneration including benefits-in-kind	44,232	41,388	16,021	14,853

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11. DIRECTORS' REMUNERATION (CONTD.)

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Non-Executive Directors' remuneration:				
Fees	893	636	893	636
Other emoluments	120	97	120	97
Total Non-Executive Directors' remuneration	1,013	733	1,013	733
Total Directors' remuneration including benefits-in-kind	45,245	42,121	17,034	15,586

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

	Number of Directors	
	2018	2017
Executive Directors:		
RM500,000 - RM600,000	1	1
RM1,600,000 - RM2,100,000	1	1
RM6,800,000 - RM8,200,000	1	1
RM29,000,000 - RM34,000,000	1	1
Non-Executive Directors:		
Below RM400,000	6	5

12. INCOME TAX EXPENSE

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Current income tax:				
Malaysian income tax	105,804	142,584	-	2,222
Foreign income tax	5,756	8,276	-	-
	111,560	150,860	-	2,222
(Over)/Under provision in prior years:				
Malaysian income tax	(6,899)	2,354	172	(92)
Foreign income tax	100	(873)	-	-
	(6,799)	1,481	172	(92)
	104,761	152,341	172	2,130
Deferred tax (Note 23):				
Relating to origination and reversal of temporary differences	19,747	(3,102)	-	-
(Over)/Under provision in prior years	(2,859)	118	-	-
	16,888	(2,984)	-	-
Total income tax expense	121,649	149,357	172	2,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. INCOME TAX EXPENSE (CONTD.)

- (a) Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the year.
- (b) Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.
- (c) A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Profit before tax	850,043	879,140
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	204,010	210,994
Different tax rates in other countries	(1,824)	(5,188)
Deferred tax recognised at different tax rates	19,932	(2,698)
Income not subject to tax	(59,744)	(44,385)
Expenses not deductible for tax purposes	36,918	38,332
Perpetual sukuk distribution	(2,351)	-
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	(12,843)	(5,804)
Deferred tax assets not recognised in respect of unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	5,686	14,013
Deferred tax assets recognised on previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	(3,479)	(7,956)
Effect of share of profit of associates	(41,357)	(40,467)
Effect of share of profit of joint ventures	(13,641)	(9,083)
(Over)/Under provision of income tax in prior years	(6,799)	1,481
(Over)/Under provision of deferred tax in prior years	(2,859)	118
Income tax expense for the year	121,649	149,357

	Company	
	2018	2017
	RM'000	RM'000
		(Restated)
Profit before tax	1,125,701	326,525
Taxation at Malaysian statutory tax rate of 24% (2017: 24%)	270,168	78,366
Income not subject to tax	(269,299)	(77,442)
Expenses not deductible for tax purposes	804	1,224
Perpetual sukuk distribution	(2,351)	-
Deferred tax assets not recognised in respect of unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	678	74
Under/(Over) provision of income tax in prior years	172	(92)
Income tax expense for the year	172	2,130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

13. EARNINGS PER SHARE

(a) Basic

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Profit attributable to owners of the parent (RM'000)	658,383	627,472
Distribution to holders of perpetual sukuk (RM'000)	(9,795)	-
Net profit attributable to owners of the parent (RM'000)	648,588	627,472
Weighted average number of ordinary shares in issue ('000)	4,869,950	4,812,608
Basic earnings per share (sen)	13.32	13.04

(b) Diluted

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Net profit attributable to owners of the parent (RM'000)	648,588	627,472
Weighted average number of ordinary shares in issue ('000)	4,869,950	4,812,608
Effect of dilution of share options and warrants ('000)	5,054	14,646
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	4,875,004	4,827,254
Diluted earnings per share (sen)	13.30	13.00

14. DIVIDENDS PAID AND PROPOSED

	Group	
	2018	2017
	RM'000	RM'000

Dividends on ordinary shares declared and paid:

Second interim single tier dividend for 2017: 3 sen per ordinary share (2016: 1.71 sen)	146,367	81,152
Distribution of 20,295,338 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held.		
The share dividend is equivalent to cash dividend of 1.35 sen per share.	-	63,676
First interim single tier dividend for 2018: 3.5 sen per ordinary share (2017: 3 sen)	170,126	146,994
	316,493	291,822

Dividends declared on ordinary shares but not recognised at end of the financial year:

Second interim single tier dividend for 2018: 2 sen per ordinary share (2017: 3 sen)	96,984	146,367
Second interim single tier dividend via a share distribution of approximately 48,492,000 treasury shares on the basis of 1 treasury share for every 100 existing ordinary shares held in the Company	93,590	-
	190,574	146,367

Dividends on ordinary shares declared on 28 February 2019 (2017: 28 February 2018) are to be paid on 18 April 2019 (2017: 26 April 2018) and accordingly, the amounts have not been recognised as a liability as at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renova- tions RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31 December 2018										
Cost										
At beginning of financial year (as previously reported)	85,586	1,315,380	34,672	74,842	906,872	65,325	459,399	42,176	216,745	3,200,997
Effects of prior year restatements	-	(488,911)	-	-	(8)	(294)	(8,279)	-	(40,568)	(538,060)
At beginning of financial year (restated)	85,586	826,469	34,672	74,842	906,864	65,031	451,120	42,176	176,177	2,662,937
Additions	-	68,438	111,263	29,455	81,426	12,560	46,896	1,016	113,787	464,841
Disposals/write-offs	-	(162)	-	(1,037)	(19,325)	(5,767)	(12,823)	-	(3,055)	(42,169)
Reclassifications	13,545	138	-	-	1,011	1,074	97	(13,083)	(2,782)	-
Transfers from investment properties (Note 17)	10,800	669	-	-	-	-	-	-	-	11,469
Transfers from/(to) investment properties under construction (Note 17)	-	-	-	-	-	-	399	-	(74)	325
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	(1,851)	-	-	(1,851)
Transfer to land held for property development (Note 18(a))	-	-	(451)	-	-	-	-	-	-	(451)
Acquisition of a subsidiary	-	1,694	-	-	2,522	-	2	-	-	4,218
Disposal of a subsidiary	-	-	-	-	(1,031)	(380)	-	-	-	(1,411)
Exchange differences	(708)	(1,915)	1,408	(32)	(1,713)	(145)	(66)	-	(2)	(3,173)
At end of financial year	109,223	895,331	146,892	103,228	969,754	72,373	483,774	30,109	284,051	3,094,735
Accumulated depreciation										
At beginning of financial year (as previously reported)	-	150,831	5,039	25,421	579,154	50,243	299,842	11,335	-	1,121,865
Effects of prior year restatements	-	(9,655)	-	-	-	(60)	(746)	-	-	(10,461)
At beginning of financial year (restated)	-	141,176	5,039	25,421	579,154	50,183	299,096	11,335	-	1,111,404
Depreciation charge for the year	-	20,000	833	6,322	58,984	6,732	34,759	3,668	-	131,298
Disposals/write-offs	-	(110)	(82)	(991)	(16,200)	(5,361)	(11,123)	-	-	(33,867)
Reclassifications	-	(56)	1,366	221	(55)	81	(234)	(1,323)	-	-
Transfers to intangible assets (Note 16)	-	-	-	-	(1)	-	(71)	-	-	(72)
Acquisition of a subsidiary	-	195	-	-	2,517	-	1	-	-	2,713
Disposal of a subsidiary	-	-	-	-	(567)	(157)	-	-	-	(724)
Exchange differences	-	(81)	(59)	(30)	(878)	(120)	21	-	-	(1,147)
At end of financial year	-	161,124	7,097	30,943	622,954	51,358	322,449	13,680	-	1,209,605
Accumulated impairment losses										
At beginning of financial year	-	24,732	-	-	3,906	-	-	-	-	28,638
Disposals/write-offs	-	-	-	-	(368)	-	-	-	-	(368)
At end of financial year	-	24,732	-	-	3,538	-	-	-	-	28,270
Net carrying amount	109,223	709,475	139,795	72,285	343,262	21,015	161,325	16,429	284,051	1,856,860

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group	Freehold land RM'000	Buildings RM'000	Leasehold land RM'000	Renova- tions RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in- progress RM'000	Total RM'000
At 31 December 2017										
Cost										
At beginning of financial year (as previously reported)	31,624	1,295,746	33,977	50,875	905,039	72,864	392,174	40,915	186,475	3,009,689
Effects of prior year restatements	-	(383,604)	-	-	-	(226)	(1,042)	-	-	(384,872)
At beginning of financial year (restated)	31,624	912,142	33,977	50,875	905,039	72,638	391,132	40,915	186,475	2,624,817
Additions	10,140	66,565	763	18,102	67,936	4,907	72,263	3,261	152,638	396,575
Disposals/write-offs	-	(25,497)	-	(603)	(53,608)	(11,450)	(5,743)	(2,000)	(794)	(99,695)
Reclassifications	4,422	140,385	(4,422)	6,949	14,080	127	746	-	(162,287)	-
Transfer from investment properties (Note 17)	-	252	-	-	-	-	-	-	-	252
Transfers from investment properties under construction (Note 17)	-	36,111	-	-	-	-	-	-	147	36,258
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	985	-	-	985
Transfer to intangible assets (Note 16)	-	-	-	-	-	-	(4,279)	-	-	(4,279)
Transfers from inventories:										
- Properties held for sale	-	2,211	-	-	-	-	-	-	-	2,211
- Land held for property development (Note 18(a))	-	-	4,659	-	-	-	-	-	-	4,659
- Property development costs (Note 18(b))	39,775	40,000	-	-	-	-	-	-	-	79,775
Disposal of a subsidiary	-	(6,289)	-	-	(23,426)	(827)	(1,213)	-	-	(31,755)
Attributable to disposal group classified as held for sale (Note 35)	-	(294,283)	-	-	-	-	-	-	-	(294,283)
Deconsolidation of a subsidiary due to restatement to a joint venture	-	(36,111)	-	-	-	-	-	-	-	(36,111)
Exchange differences	(375)	(9,017)	(305)	(481)	(3,157)	(364)	(2,771)	-	(2)	(16,472)
At end of financial year	85,586	826,469	34,672	74,842	906,864	65,031	451,120	42,176	176,177	2,662,937
Accumulated depreciation										
At beginning of financial year (as previously reported)	-	137,215	4,703	21,240	561,579	53,650	279,272	10,571	-	1,068,230
Effects of prior year restatements	-	(1,279)	-	-	-	(12)	(53)	-	-	(1,344)
At beginning of financial year (restated)	-	135,936	4,703	21,240	561,579	53,638	279,219	10,571	-	1,066,886
Depreciation charge for the year	-	16,691	462	4,307	57,617	7,300	32,716	2,764	-	121,857
Disposals/write-offs	-	(5,619)	-	(444)	(14,683)	(9,697)	(6,214)	(2,000)	-	(38,657)
Reclassifications	-	(712)	4	719	51	(5)	(57)	-	-	-
Transfer from intangible assets (Note 16)	-	-	-	-	-	-	601	-	-	601
Transfer to intangible assets (Note 16)	-	-	-	-	(23,426)	(733)	(3,663)	-	-	(3,663)
Disposal of a subsidiary	-	(1,414)	-	-	(23,426)	(733)	(1,071)	-	-	(26,644)
Exchange differences	-	(3,706)	(130)	(401)	(1,984)	(320)	(2,435)	-	-	(8,976)
At end of financial year	-	141,176	5,039	25,421	579,154	50,183	299,096	11,335	-	1,111,404
Accumulated impairment losses										
At beginning of financial year	-	26,633	-	18	34,663	-	216	-	-	61,530
Disposals/write-offs	-	(1,901)	-	-	(30,757)	-	(234)	-	-	(32,892)
Reclassification	-	-	-	(18)	-	-	18	-	-	-
At end of financial year	-	24,732	-	-	3,906	-	-	-	-	28,638
Net carrying amount	85,586	660,561	29,633	49,421	323,804	14,848	152,024	30,841	176,177	1,522,895

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
Company				
At 31 December 2018				
Cost				
At beginning of financial year	1,897	2,566	-	4,463
Additions	150	-	-	150
Disposals	(3)	-	-	(3)
Write off	(2)	-	-	(2)
At end of financial year	2,042	2,566	-	4,608
Accumulated depreciation				
At beginning of financial year	1,686	2,566	-	4,252
Depreciation charge for the year	197	-	-	197
Disposals	(3)	-	-	(3)
At end of financial year	1,880	2,566	-	4,446
Net carrying amount	162	-	-	162
At 31 December 2017				
Cost				
At beginning of financial year	1,829	2,566	693	5,088
Additions	80	-	-	80
Disposals	(12)	-	-	(12)
Write off	-	-	(693)	(693)
At end of financial year	1,897	2,566	-	4,463
Accumulated depreciation				
At beginning of financial year	1,269	2,353	-	3,622
Depreciation charge for the year	418	213	-	631
Disposals	(1)	-	-	(1)
At end of financial year	1,686	2,566	-	4,252
Net carrying amount	211	-	-	211

(a) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 Leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

15. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (b) All items of property, plant and equipment are initially recorded at cost. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	45 - 94 years
Buildings	2%
Renovations	10%
Plant and machinery	5% - 20%
Motor vehicles	10% - 20%
Equipment, furniture and fittings	5% - 33%

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

The useful lives and residual values of property, plant and equipment are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

- (c) The net carrying amount of property, plant and equipment held under hire purchase and finance lease liabilities is as follows:

	Group	
	2018	2017
	RM'000	RM'000
Motor vehicles	702	42
Plant and machinery	-	386
	702	428

- (d) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Additions of property, plant and equipment	464,841	396,575	150	80
Additions via hire purchase and finance lease liabilities	(773)	-	-	-
Cash outflow for acquisition of property, plant and equipment	464,068	396,575	150	80

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

16. INTANGIBLE ASSETS

	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Group				
At 31 December 2018				
Cost				
At beginning of financial year (as previously reported)	54,878	180	28,463	83,521
Effects of prior year restatements	(69)	-	-	(69)
At beginning of financial year (restated)	54,809	180	28,463	83,452
Additions	10,654	1	-	10,655
Transfer from property, plant and equipment (Note 15)	1,851	-	-	1,851
Written off	(463)	(1)	-	(464)
Disposals	(22)	(130)	-	(152)
Exchange differences	16	-	-	16
At end of financial year	66,845	50	28,463	95,358
Accumulated amortisation				
At beginning of financial year (as previously reported)	39,733	131	2,447	42,311
Effects of prior year restatements	(21)	-	-	(21)
At beginning of financial year (restated)	39,712	131	2,447	42,290
Amortisation charge for the year	9,962	-	7,678	17,640
Transfer from property, plant and equipment (Note 15)	72	-	-	72
Written off	(429)	-	-	(429)
Disposals	(14)	(131)	-	(145)
Exchange differences	9	-	-	9
At end of financial year	49,312	-	10,125	59,437
Accumulated impairment loss				
At beginning of financial year	-	-	25,829	25,829
Reversal of impairment	-	-	(7,656)	(7,656)
At end of financial year	-	-	18,173	18,173
Net carrying amount	17,533	50	165	17,748
At 31 December 2017 (Restated)				
Cost				
At beginning of financial year	44,085	179	28,263	72,527
Additions	7,509	1	200	7,710
Transfer to property, plant and equipment (Note 15)	(985)	-	-	(985)
Transfer from property, plant and equipment (Note 15)	4,279	-	-	4,279
Written off	(19)	-	-	(19)
Disposals	(26)	-	-	(26)
Exchange differences	(34)	-	-	(34)
At end of financial year	54,809	180	28,463	83,452

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

16. INTANGIBLE ASSETS (CONTD.)

	Software RM'000	Trademark RM'000	Operating right RM'000	Total RM'000
Group (contd.)				
Accumulated amortisation				
At beginning of financial year	30,352	118	1,492	31,962
Amortisation charge for the year	6,348	13	955	7,316
Transfer to property, plant and equipment (Note 15)	(601)	-	-	(601)
Transfer from property, plant and equipment (Note 15)	3,663	-	-	3,663
Written off	(19)	-	-	(19)
Disposals	(11)	-	-	(11)
Exchange differences	(20)	-	-	(20)
At end of financial year	39,712	131	2,447	42,290
Accumulated impairment loss				
At beginning of financial year	-	-	7,754	7,754
Impairment loss for the year	-	-	18,075	18,075
At end of financial year	-	-	25,829	25,829
Net carrying amount	15,097	49	187	15,333

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives.

Software

Software that does not form an integral part of the related hardware is treated as intangible asset with finite life and is amortised over its estimated useful life of 3 to 5 years.

Operating right

Operating right relates to the exclusive right granted by a third party to operate and manage the park and ride facilities in Sunway. Operating right has finite useful life and is amortised over its estimated useful life of 30 years.

In the previous financial year, an impairment loss of RM18,075,000 was recognised on operating right of the Group due to declining business operation.

17. INVESTMENT PROPERTIES

	Group	
	2018 RM'000	2017 RM'000 (Restated)
Investment properties	1,833,637	2,017,982
Investment properties under construction	109,107	48,778
	1,942,744	2,066,760

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT PROPERTIES (CONTD.)

Investment properties

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
At valuation		
At beginning of financial year (as previously reported)	2,807,982	2,679,658
Effects of prior year restatements	(790,000)	(790,000)
At beginning of financial year (restated)	2,017,982	1,889,658
Additions from subsequent expenditure	93,841	11,169
Transfers (to)/from:		
- property, plant and equipment (Note 15)	(11,469)	(252)
- property development costs (Note 18(b))	175,000	51,675
- properties held for sale	13,700	-
- land held for development (Note 18(a))	7,187	-
- investment properties under construction	538	52,527
- non-current asset classified as held for sale (Note 35)	(486,128)	-
Fair value adjustments:		
- gains*	43,432	28,305
- losses	(20,383)	(15,066)
Exchange differences	(63)	(34)
At end of financial year	1,833,637	2,017,982

* Pursuant to this, the fair value gains on investment properties are derived from gross fair value gains amounting to RM46,362,000 (2017: RM32,852,000) and an adjustment of RM2,930,000 (2017: RM4,547,000).

The investment properties consist of the following:

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Long term leasehold land	372,916	270,727
Freehold land	121,695	252,859
Buildings	1,339,026	1,494,396
	1,833,637	2,017,982

The carrying amounts of the properties as at 31 December 2018 were based on valuation carried out by C H Williams Talhar & Wong Sdn. Bhd. and Knight Frank Malaysia Sdn. Bhd. whereas the carrying amounts of properties as at 31 December 2017 were based on valuation carried out by C H Williams Talhar & Wong Sdn. Bhd.. Fair value is determined primarily based on income, investment and comparison approaches. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

Investment properties under construction

	At cost RM'000	At valuation RM'000	Total RM'000
Group			
At 31 December 2018			
At beginning of financial year	48,778	-	48,778
Additions from subsequent expenditure	60,896	-	60,896
Transfers (to)/from:			
- property, plant and equipment (Note 15)	(325)	-	(325)
- property development costs (Note 18(b))	296	-	296
- investment properties	(538)	-	(538)
At end of financial year	109,107	-	109,107

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
Group			
At 31 December 2018			
Long term leasehold land	14,043	-	14,043
Buildings	95,064	-	95,064
	109,107	-	109,107

At 31 December 2017			
At beginning of financial year	73,346	45,401	118,747
Additions from subsequent expenditure	10,748	-	10,748
Transfers (to)/from:			
- property, plant and equipment (Note 15)	(36,258)	-	(36,258)
- property development costs (Note 18(b))	1,429	-	1,429
- investment properties	(487)	(52,040)	(52,527)
Fair value gain	-	6,639	6,639
At end of financial year	48,778	-	48,778

The investment properties under construction consist of the following:

	At cost RM'000	At valuation RM'000	Total RM'000
At 31 December 2017			
Long term leasehold land	14,043	-	14,043
Buildings	34,735	-	34,735
	48,778	-	48,778

- (a) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss. Fair value gain would be adjusted after taking into consideration of the difference in recognising the rental income on a straight-line basis over the lease term and rental income billed to the tenant in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

(a) (contd.)

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

- (b) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 31 December 2018				
Investment properties:				
Commercial properties	-	192,481	581,786	774,267
Education properties	-	96,327	209,473	305,800
Leisure properties	-	1,357	12,400	13,757
Residential properties	-	456,860	-	456,860
Other properties	-	282,953	-	282,953
	-	1,029,978	803,659	1,833,637
At 31 December 2017 (Restated)				
Investment properties:				
Commercial properties	-	81,682	498,772	580,454
Education properties	-	89,834	699,590	789,424
Leisure properties	-	1,357	12,400	13,757
Residential properties	-	445,919	-	445,919
Other properties	-	188,428	-	188,428
	-	807,220	1,210,762	2,017,982

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

- (b) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties: (contd.)

Fair value reconciliation of investment properties measured at Level 3

	Leisure RM'000	Commercial RM'000	Education RM'000	Total RM'000
At 1 January 2018				
(as previously reported)	12,400	1,288,772	699,590	2,000,762
Effects of prior year restatements	-	(790,000)	-	(790,000)
At 1 January 2018 (restated)	12,400	498,772	699,590	1,210,762
Re-measurement recognised in profit or loss	-	5,019	(4,527)	492
Additions from subsequent expenditure	-	64,295	-	64,295
Transfers from/(to):				
- investment property under construction	-	-	538	538
- non-current asset held for sale (Note 35)	-	-	(486,128)	(486,128)
- properties held for sale	-	13,700	-	13,700
At 31 December 2018	12,400	581,786	209,473	803,659
At 1 January 2017				
(as previously reported)	12,750	1,235,205	701,163	1,949,118
Effects of prior year restatements	-	(790,000)	-	(790,000)
At 1 January 2017 (restated)	12,750	445,205	701,163	1,159,118
Re-measurement recognised in profit or loss	(355)	1,831	(1,573)	(97)
Additions from subsequent expenditure	5	61	-	66
Transfer from property development costs (Note 18(b))	-	51,675	-	51,675
At 31 December 2017	12,400	498,772	699,590	1,210,762

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

(c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2018				
Commercial	Investment method	Estimated rental value per square feet per month	RM0.50 - RM45.14	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM122.50 - RM135.19	
		Estimated outgoings per square feet per month	RM1.35 - RM6.57	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM Nil - RM35.39	
		Void allowance	5.00% - 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.25% - 7.50%	
		Discount rate	6.50% - 7.50%	
	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80.00 - RM100.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	20.00%	Higher depreciation rate, lower fair value.
Education	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-25.00% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM230.00 to RM250.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	8.00% to 20.00%	Higher depreciation rate, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
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At 31 December 2018 (contd.)

Leisure	Investment method	Estimate rental value per square feet per month	RM1.75	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.06	
		Void allowance	5.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.50%	
		Discount rate	6.50%	
	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 10.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90 to RM160	Higher estimated replacement cost, lower fair value.
		Depreciation rate	13.00% to 40.00%	Higher depreciation rate, lower fair value.

At 31 December 2017 (Restated)

Commercial	Investment method	Estimated rental value per square feet per month	RM1.12 - RM45.14	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM103.19 - RM109.30	
		Estimated outgoings per square feet per month	RM1.35 - RM6.49	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM Nil - RM33.50	
		Void allowance	5.00% - 10.00%	Higher range of inputs, lower fair value.
		Market yield rate	6.25% - 7.50%	
		Discount rate	6.50% - 7.50%	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2017 (Restated) (contd.)				
Commercial (contd.)	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-20.00% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM80 - RM85	Higher estimated replacement cost, lower fair value.
		Depreciation rate	20.00%	Higher depreciation rate, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-52.50% to 20.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM100 to RM310	Higher estimated replacement cost, lower fair value.
		Depreciation rate	5.00% to 41.00%	Higher depreciation rate, lower fair value.
Leisure	Investment method	Estimate rental value per square feet per month	RM1.50	Higher estimated rental, higher fair value.
		Estimated outgoings per square feet per month	RM0.05	Higher estimated outgoings, lower fair value.
		Void allowance Market yield rate Discount rate	5% 6.50% 6.50%	Higher range of inputs, lower fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

- (c) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2017 (Restated) (contd.)				
Leisure (contd.)	Cost Method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 10.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90 to RM160	Higher estimated replacement cost, lower fair value.
		Depreciation rate	11.00% to 39.00%	Higher depreciation rate, lower fair value.

- (d) Methods of valuation

Comparison method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

Buildings under construction are valued by reference to the total development costs incurred to date plus profits expected from its designated usage, discounted to their present value at a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

All investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. INVESTMENT PROPERTIES (CONTD.)

(d) Methods of valuation (contd.)

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and outgoings per annum in isolation would result in a significant higher/(lower) fair value of the properties. Significant increases/(decreases) in market yield and discount rate in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

18. INVENTORIES

		Group	
	Note	2018 RM'000	2017 RM'000 (Restated)
Non-current			
Land held for property development			
- At cost		1,670,003	1,680,819
- At net realisable value		1,308	1,308
	(a)	1,671,311	1,682,127
Current			
At cost:			
Properties held for sale		173,659	204,163
Trading inventories		389,228	311,428
Food and beverages		1,936	2,230
Consumables		3,562	3,518
Raw materials		25,076	22,478
Work in progress		4,316	1,912
Finished goods		122,105	89,530
		719,882	635,259
Property development costs	(b)	1,109,511	1,107,206
Balance carried forward		1,829,393	1,742,465

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. INVENTORIES (CONTD.)

	Note	Group 2018 RM'000	2017 RM'000 (Restated)
Balance brought forward		1,829,393	1,742,465
At net realisable value			
Properties held for sale		2,875	16,810
Trading inventories		25,667	29,155
		28,542	45,965
		1,857,935	1,788,430
Non-current		1,671,311	1,682,127
Current		1,857,935	1,788,430
		3,529,246	3,470,557

(a) Land held for property development

	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 December 2018				
At 1 January 2018	1,187,015	174,184	320,928	1,682,127
Additions	74,848	12,386	53,194	140,428
Reversal of over-accrued cost	(68,078)	-	-	(68,078)
Net transfers from/(to):				
- Property, plant and equipment (Note 15)	-	451	-	451
- Property development costs (Note 18(b))	(5,140)	-	(2,480)	(7,620)
- Investment properties (Note 17)	-	(7,187)	-	(7,187)
Write down of land held for development	-	(146)	-	(146)
Reclassifications	(301,483)	165,495	135,988	-
Loss of control of a subsidiary (Note 19(h))	(68,664)	-	-	(68,664)
At 31 December 2018	818,498	345,183	507,630	1,671,311
At 31 December 2017				
At 1 January 2017	912,696	59,898	218,918	1,191,512
Additions	387,495	12,239	95,316	495,050
Net transfers (to)/from:				
- Property, plant and equipment (Note 15)	-	(4,398)	(261)	(4,659)
- Property development costs (Note 18(b))	-	-	78	78
Reversal of write down of land held for development	146	-	-	146
Reclassifications	(113,322)	106,445	6,877	-
At 31 December 2017	1,187,015	174,184	320,928	1,682,127

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. INVENTORIES (CONTD.)

(b) Property development costs

	Freehold land RM'000	Long term leasehold land RM'000	Develop- ment costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
Group					
At 31 December 2018					
At beginning of financial year (as previously reported)	511,184	341,138	3,324,086	(3,143,037)	1,033,371
Effects of adoption of MFRS 15	-	-	-	73,835	73,835
At beginning of financial year (restated)	511,184	341,138	3,324,086	(3,069,202)	1,107,206
Costs incurred during the year	40,407	31,111	466,045	-	537,563
Recognised during the year (Note 6)	-	-	-	(362,142)	(362,142)
Reversal of over-accrued costs	-	-	(2,448)	-	(2,448)
Exchange differences	-	(812)	(6,080)	6,322	(570)
Reclassifications	(946)	946	-	-	-
Net transfers from/(to):					
- Land held for property development (Note 18(a))	5,140	-	2,480	-	7,620
- Investment properties (Note 17)	-	-	(175,000)	-	(175,000)
- Investment properties under construction (Note 17)	-	-	(296)	-	(296)
Reversal of completed projects	-	(18,822)	(121,473)	140,295	-
Loss of control of a subsidiary (Note 19(h))	-	(579)	(1,843)	-	(2,422)
Property development costs at end of financial year	555,785	352,982	3,485,471	(3,284,727)	1,109,511

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. INVENTORIES (CONTD.)

(b) Property development costs

	Freehold land RM'000	Long term leasehold land RM'000	Develop- ment costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
Group					
At 31 December 2017					
At beginning of financial year (as previously reported)	627,285	305,262	3,460,553	(3,221,814)	1,171,286
Effects of adoption of MFRS 15	-	-	-	30,431	30,431
At beginning of financial year (restated)	627,285	305,262	3,460,553	(3,191,383)	1,201,717
Costs incurred during the year	5,071	17,533	651,042	-	673,646
Recognised during the year (Note 6)	-	-	-	(559,880)	(559,880)
Reversal of over-accrued costs	-	-	(35,004)	-	(35,004)
Exchange differences	-	(1,159)	(7,397)	8,289	(267)
Reclassifications	(9,780)	30,052	(20,272)	-	-
Net transfers from/(to):					
- Land held for property development (Note 18(a))	-	-	(78)	-	(78)
- Properties held for sale	(3,293)	(2,625)	(34,131)	-	(40,049)
- Investment properties (Note 17)	-	(7,437)	(44,238)	-	(51,675)
- Investment properties under construction (Note 17)	-	-	(1,429)	-	(1,429)
- Property, plant and equipment (Note 15)	(39,775)	-	(40,000)	-	(79,775)
Reversal of completed projects	(68,324)	(488)	(604,960)	673,772	-
Property development costs at end of financial year	511,184	341,138	3,324,086	(3,069,202)	1,107,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. INVENTORIES (CONTD.)

- (i) Land held for property development is classified within non-current assets and is stated at lower of cost and net realisable value.
- (ii) Property development costs not recognised as an expense are recognised as an asset measured at lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

The Group recognises in profit or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting period. It is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred.

Substantial changes in cost estimates can have a significant effect on the profitability of the Group in future periods. In making the above judgement, the Group relies on past experience and work of specialists. Transaction price are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

- (iii) Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.
- (iv) Costs of trading inventories, food and beverages and consumables are determined on a weighted average basis, while cost of raw material, work in progress and finished goods is determined on a weighted average and first in, first out basis.
- (v) A write down of inventories to net realisable value and write off of inventories of RM2,280,000 (2017: RM1,286,000) and RM1,343,000 (2017: RM775,000) respectively were made during the year.
- (vi) The Group reversed RM877,000 (2017: RM730,000) in respect of inventories written down in the previous financial years that was subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (vii) Interest expense capitalised under property development costs and land held for development costs of the Group amounting to RM29,072,000 (2017: RM15,541,000) and RM60,351,000 (2017: RM44,219,000) at interest rates ranging from 4.23% to 5.72% (2017: 3.90% to 5.55%) respectively.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018	2017
	RM'000	RM'000
At cost		
Unquoted ordinary shares	368,868	368,868
Unquoted preference shares	4,473,811	3,673,811
	4,842,679	4,042,679

- (a) Investment in subsidiary is stated in the separate financial statements at cost. Written put options over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss.
- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (c) The Company and/or its subsidiaries review the investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

- (d) During the financial year, the Group and the Company completed the following acquisition of shares and incorporation of companies:

- (i) On 28 February 2018, Sunway Winstar Sdn. Bhd. ("Sunway Winstar"), a subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB"), which in turn is wholly-owned by the Company had acquired 70,000 ordinary shares in Rising Star Marketing Sdn. Bhd. ("RSM") for cash consideration of RM200,000;
- (ii) On 9 April 2018, Sunway Innopave (S) Pte. Ltd. and Sunway Concrete Product (S) Pte. Ltd., both indirect wholly-owned subsidiaries of Sunway Construction Group Berhad ("SCG"), which in turn is an indirect subsidiary of the Company, had incorporated a new subsidiary known as Sunway Builders (Myanmar) Company Limited with paid-up share capital of USD50,000 (equivalent of RM204,000) comprising 50,000 ordinary shares;
- (iii) On 10 April 2018, Sunway Medical Centre Sdn. Bhd. ("SMC"), a subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is wholly-owned by the Company, had incorporated a new subsidiary known as Sunway Specialist Centre Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
- (iv) On 24 April 2018, SMC had incorporated a new subsidiary known as Sunway Medical Centre (Singapore) Pte. Ltd. with paid-up share capital of SGD2 comprising 2 ordinary shares;
- (v) On 14 May 2018, Sunway Marketing (S) Pte. Ltd., a wholly-owned subsidiary of SHSB had incorporated a new subsidiary known as Sunway Marketing (Vietnam) Co. Ltd. with paid-up share capital of USD100,000;
- (vi) On 28 June 2018, Sunway Winstar had acquired 365,927 ordinary shares in Sunway Hsing Yeat Sdn. Bhd. ("SHYSB") for cash consideration of RM6,488,513;
- (vii) On 28 June 2018, Sunway Winstar had acquired 2 ordinary shares in Winstar Enterprise Sdn. Bhd. ("Winstar Enterprise") for cash consideration of RM2;
- (viii) On 28 June 2018, Sunway Winstar had acquired 14,002 ordinary shares in RSM for cash consideration of RM51,213;
- (ix) On 2 July 2018, SHSB had acquired 1 ordinary share in Sun SEA Ltd for cash consideration of USD1;
- (x) On 2 July 2018, SHSB had acquired 1 ordinary share in Sun SEA Capital Management Ltd for cash consideration of USD1;
- (xi) On 16 July 2018, Sunway Winstar had acquired 19,796 ordinary shares in SHYSB for cash consideration of RM352,858;
- (xii) On 16 August 2018, SHSB had acquired 1,000,000 ordinary shares in Sunway Paving Solutions (Sabah) Sdn. Bhd. (formerly known as Telipok Concrete Sdn. Bhd.) for cash consideration of RM1;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (d) During the financial year, the Group and the Company completed the following acquisition of shares and incorporation of companies: (contd.)
- (xiii) On 28 August 2018, Sunway Winstar had acquired 427,344 ordinary shares in SHYSB for consideration of RM7,617,197 and the consideration was satisfied via allotment of shares by Sunway Winstar;
 - (xiv) On 28 August 2018, Sunway Winstar had acquired 55,000 ordinary shares in Winstar Enterprise for consideration of RM968,881 and the consideration was satisfied via allotment of shares by Sunway Winstar;
 - (xv) On 28 August 2018, Sunway Winstar had acquired 147,000 ordinary shares in RSM for consideration of RM537,705 and the consideration was satisfied via allotment of shares by Sunway Winstar;
 - (xvi) On 1 November 2018, SHSB had incorporated a new subsidiary known as Sunway Brands Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
 - (xvii) On 6 December 2018, Sunway City (S'pore) Pte. Ltd., a wholly-owned subsidiary of SunCity had incorporated a new subsidiary known as Primary Selection Pte. Ltd. with paid-up share capital of SGD1 comprising 1 ordinary share;
 - (xviii) During the financial year, Sunway Global Limited ("SGL") subscribed for additional 10,000,000 ordinary shares of RMB1 each, representing 15.73% of the total issued and paid-up share capital of Sunway Spun Pile (Zhuhai) Co. Ltd. ("SSPZH"), a 80% owned subsidiary of SGL for RMB10,000,000 cash. As a result, SSPZH became a 95.73% owned subsidiary of SGL.
 - (xix) On 25 April 2018, the Company has subscribed RM400,000,000 Non-Convertible Non-Cumulative Redeemable Preference Shares ("NCRPS") each in SHSB and Suncity.
- (e) On 11 January 2019, Sunway Geotechnics (M) Sdn. Bhd., an indirect wholly-owned subsidiary of SCG, which in turn is an indirect subsidiary of the Company, had incorporated a new subsidiary known as Sunway CT Geotechnics Pte. Ltd. ("Sunway CT") by subscribing 5,500 ordinary shares at an issued price of SGD1.00 each, representing 55% of the paid-up share capital of Sunway CT.
- (f) Acquisition of Sunway Paving Solutions (Sabah) Sdn. Bhd.

On 16 August 2018, SHSB acquired 100% equity interest in Sunway Paving Solutions (Sabah) Sdn. Bhd. (formerly known as Telipok Concrete Sdn. Bhd.) ("SPSS") at a total purchase consideration of RM1.

The fair value and the carrying amounts of the identifiable assets and liabilities of SPSS as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Property, plant and equipment	1,505	1,505
Inventories	34	34
Receivables	26	26
Cash and bank balances	15	15
	1,580	1,580
Payables	3,339	3,339
Total identifiable net liabilities	(1,759)	-
Goodwill on acquisition	1,759	-
Total cost of acquisition	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(f) Acquisition of Sunway Paving Solutions (Sabah) Sdn. Bhd. (contd.)

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	-
Less: Cash and cash equivalents of subsidiary acquired	(15)
Net cash inflow of the Group on acquisition	(15)

* Representing total purchase consideration of RM1.

(g) Disposal of Pacific Flow Technology Pty. Ltd.

On 9 November 2018, Sunway TotalRubber Ltd., a wholly owned subsidiary of the Company, had disposed 80% equity interest in Pacific Flow Technology Pty. Ltd.. for cash consideration of AUD220,000 (equivalent to RM663,000).

The gain on disposal of subsidiary during the financial year is as follows:

	2018 RM'000
Total disposal proceed	663
Net liabilities disposed	273
Gain on disposal to the Group	936

The disposal has resulted in net cash inflow of AUD123,000 (equivalent to approximately RM372,000), which was represented by the cash and cash equivalents of the disposed subsidiary as at the date of disposal.

(h) Loss of control of Daksina Harta Sdn. Bhd. ("Daksina Harta")

On 9 November 2018, SunwayMas Sdn. Bhd. disposed of its 40% equity interest in Daksina Harta (previously a wholly owned subsidiary of Sunway Mas) to Perkasa Bernas (M) Sdn. Bhd. ("Perkasa") for a total consideration of RM5,000,000. Sunway Mas has also entered into a Shareholders' Agreement to establish a joint venture arrangement with Perkasa, which resulted in Sunway Mas having joint control over Daksina Harta. As a result, the Group ceases to consolidate Daksina Harta and has accounted for its interest in Daksina Harta as a joint venture.

The financial effects of Daksina Harta ceasing to be subsidiary of the Group are as follows:

Statements of financial position

	As At 26.10.2018 RM'000
Land held for development (Note 18(a))	68,664
Property development costs (Note 18(b))	2,422
Cash and bank balances	7
Other payables	(71,177)
Net liabilities	(84)
Share of net liabilities disposed of	(84)
Total disposal proceed	(5,000)
Gain on disposal to the Group (Note 7)	(5,084)
Gain on re-measurement of retained interest in Daksina Harta (Note 7)	(7,500)
	(12,584)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (i) The other acquisitions, winding up and strike off of subsidiaries did not have any material effect on the financial results and position of the Group.
- (j) Summarised information of companies with non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests of the other companies are not material to the Group.
- (i) Summarised statements of financial position

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Total RM'000
At 31 December 2018				
Non-current assets	173,221	121,333	234,207	528,761
Current assets	247,134	8,415	1,527,163	1,782,712
Total assets	420,355	129,748	1,761,370	2,311,473
Non-current liabilities	29,200	-	100,098	129,298
Current liabilities	46,456	206	1,064,392	1,111,054
Total liabilities	75,656	206	1,164,490	1,240,352
Net assets	344,699	129,542	596,880	1,071,121
Equity attributable to owners of the parent	200,659	92,222	290,761	583,642
Non-controlling interests	144,040	37,320	306,119	487,479
Total equity	344,699	129,542	596,880	1,071,121
At 31 December 2017				
Non-current assets	158,792	121,334	175,075	455,201
Current assets	237,757	6,249	1,718,913	1,962,919
Total assets	396,549	127,583	1,893,988	2,418,120
Non-current liabilities	3,179	-	7,009	10,188
Current liabilities	69,224	141	1,327,773	1,397,138
Total liabilities	72,403	141	1,334,782	1,407,326
Net assets	324,146	127,442	559,206	1,010,794
Equity attributable to owners of the parent	179,465	90,657	270,315	540,437
Non-controlling interests	144,681	36,785	288,891	470,357
Total equity	324,146	127,442	559,206	1,010,794

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(j) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Total RM'000
--	--	---	---	-----------------

At 31 December 2018

Revenue	13,001	-	2,256,835	2,269,836
(Loss)/Profit for the year	(2,488)	1,781	145,020	144,313
Other comprehensive income	-	-	416	416
Total comprehensive (loss) income	(2,488)	1,781	145,436	144,729

(Loss)/Profit attributable to:

- owners of the parent	(1,847)	1,247	78,764	78,164
- non-controlling interests	(641)	534	66,256	66,149

Total comprehensive (loss)/income attributable to:

- owners of the parent	(1,847)	1,247	79,180	78,580
- non-controlling interests	(641)	534	66,256	66,149

At 31 December 2017

Revenue	18,334	-	2,076,290	2,094,624
(Loss)/Profit for the year	(4,306)	1,720	140,634	138,048
Other comprehensive loss	-	-	(4,752)	(4,752)
Total comprehensive (loss)/income	(4,306)	1,720	135,882	133,296

(Loss)/Profit attributable to:

- owners of the parent	(2,845)	1,204	76,868	75,227
- non-controlling interests	(1,461)	516	63,766	62,821

Total comprehensive

(loss)/income attributable to:

- owners of the parent	(2,845)	1,204	72,116	70,475
- non-controlling interests	(1,461)	516	63,766	62,821

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(j) (contd.)

(ii) Summarised statements of cash flows

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad Group RM'000	Total RM'000
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At 31 December 2018

Net cash generated from/(used in):

- operating activities	7,010	1,463	188,750	197,223
- investing activities	(1,226)	-	(74,235)	(75,461)
- financing activities	(5,156)	(1)	(118,032)	(123,189)

Net increase/(decrease) in cash

and cash equivalents	628	1,462	(3,517)	(1,427)
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Effects of foreign exchange rates
changes

	-	-	943	943
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Cash and cash equivalents at
beginning of the year

	113,069	5,578	487,240	605,887
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Cash and cash equivalents at
end of the year

	113,697	7,040	484,666	605,403
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At 31 December 2017

Net cash generated from/(used in):

- operating activities	20,096	2,087	66,692	88,875
- investing activities	67,738	-	34,537	102,275
- financing activities	(989)	(10,000)	(80,025)	(91,014)

Net increase/(decrease) in cash

and cash equivalents	86,845	(7,913)	21,204	100,136
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Effects of foreign exchange rates
changes

	-	-	703	703
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Cash and cash equivalents at
beginning of the year

	26,224	13,491	465,333	505,048
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Cash and cash equivalents at
end of the year

	113,069	5,578	487,240	605,887
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Unquoted shares at cost	120,445	34,601
Quoted shares at cost	1,846,632	1,765,662
Quasi-equity loan (interest-free)	-	2,251
Share of post-acquisition distributable reserves	284,482	224,337
Share of non-distributable reserves	26,239	33,957
Unrealised profit arising from sale of assets to associate	(42,057)	(22,236)
	2,235,741	2,038,572
Less: Accumulated impairment losses	(151,712)	(151,696)
	2,084,029	1,886,876
Dividend received	112,073	106,836
Market value of quoted shares	2,105,586	2,244,640

- (a) Investment in associate is stated at cost less accumulated impairment losses in the separate financial statements and it is accounted for using the equity method of accounting in the consolidated financial statements.
- (b) The financial year end of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd., which has a financial year end of 31 March and Sunway REIT, which has a financial year end of 30 June. Management accounts of these associates for the financial year ended 31 December 2018 have been used for the purpose of applying the equity method of accounting.
- (c) During the financial year, an impairment loss of RM16,000 on investment in an associate has been recognised due to declining business operation.
- (d) Details of the associates are as follows:

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2018	2017
			%	%
(i) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited #	India	Property development	26.35	26.35
(ii) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(iii) Associate of Sunway Holdings Sdn. Bhd.				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES (CONTD.)

(d) Details of the associates are as follows: (contd.)

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
(iv) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad #	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
(v) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. #	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(vi) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated	Construction	13.61	13.61
(vii) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	40.88	39.27
(viii) Associate of Sunway Global Limited				
MGlory Pte. Ltd. # (Struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50)	Singapore	Dormant	-	39.32
(ix) Associate of Monumental Productions Sdn. Bhd.				
Her Network Sdn. Bhd. # ("Her Network")	Malaysia	Online digital video production	12.92	16.8

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES (CONTD.)

(d) Details of the associates are as follows: (contd.)

Name of companies	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
(ix) Associate of Monumental Productions Sdn. Bhd. (contd.)				
GH Productions Sdn. Bhd. # ("GH Productions")	Malaysia	Online digital video production	15.39	-
TMT Entertainment Sdn. Bhd. # ("TMT")	Malaysia	Online digital video production	6.15	-
Vitdaily Media Sdn. Bhd. # ("Vitdaily")	Malaysia	Online digital video production	15.39	-
(x) Associate of Sunway Developments Pte. Ltd.				
Elite UK Commercial Fund # ("Elite")	United Kingdom	Investment in real estate	21.05	-
(xi) Associate of Sunway Construction Sdn. Bhd.				
IJM Construction Sdn. Bhd. - Jalan Rejang Sdn. Bhd. - Maltimur Resources Sdn. Bhd. Sunway Construction Sdn. Bhd. Consortium	Unincorporated	Dormant	-	13.61

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

(e) Significant influence is presumed to not exist when an entity hold less than 20% of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds a nineteen point three three percent (19.33%) interest in Gopeng Berhad ("Gopeng") for which the Group has determined that it holds significant influence as the Group has two representatives on the Board of Directors of Gopeng, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a twelve point nine two percent (12.92%) (2017: sixteen point eight percent (16.8%)) interest in Her Network for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Her Network, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a fifteen point three nine percent (15.39%) interest in GH Productions for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of GH Productions, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a six point one five percent (6.15%) interest in TMT for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of TMT, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES (CONTD.)

(e) (contd.)

The Group holds a fifteen point three nine percent (15.39%) interest in Vitdaily for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Vitdaily, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on these, the Group considers that it has the power to exercise significant influence and has treated its interests in Gopeng, Her Network, GH Productions, TMT and Vitdaily as associates.

- (f) During the financial year, Sunway REIT Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired 47,500,000 units (2017: 58,915,040 units) in Sunway REIT from the open market for a total consideration of RM80,970,000 (2017: RM99,434,718).
- (g) The fair value of quoted shares in Malaysia is determined by reference to the exchange quoted market prices at the close of the business on the reporting period.
- (h) During the financial year, Monumental Productions Sdn. Bhd., a 61.54% owned subsidiary of Sunway Holdings Sdn. Bhd., made the following acquisitions:

Name of associate	No. of shares subscribed		Equity interest acquired %	Cash consideration RM'000
	Ordinary shares	Preference shares		
GH Productions Sdn. Bhd. #	250	492,417	25.00	493
TMT Entertainment Sdn. Bhd. #	100	399,900	10.00	400
Vitdaily Media Sdn. Bhd. #	250	74,750	25.00	75

- (i) During the financial year, Sunway Developments Pte. Ltd., a wholly owned subsidiary of Sunway Holdings Sdn. Bhd., subscribed 20 million units, representing 21.05% of equity interest in Elite UK Commercial Fund for cash consideration of GBP20 million, representing RM109,471,000.
- (j) On 6 August 2018, MGlory Pte. Ltd., an associate of Sunway Global Limited, was struck off pursuant to Section 344A of the Singapore Companies Act, Cap. 50. The striking off of the MGlory Pte. Ltd. will result in net cash inflow of RMB58,620,000 (equivalent to approximately RM30,245,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES (CONTD.)

(k) Summarised financial information in respect of each of the material associates of the Group is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not share of the Group of those amounts.

(i) Summarised statements of financial position

	Sunway REIT		Elite		Gopeng		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	7,359,068	6,805,213	1,487,664	-	214,557	218,517	9,061,289	7,023,730
Current assets	156,192	510,589	136,123	-	111,071	109,596	403,386	620,185
Total assets	7,515,260	7,315,802	1,623,787	-	325,628	328,113	9,464,675	7,643,915
Non-current liabilities	74,547	371,491	1,062,624	-	29,630	25,947	1,166,801	397,438
Current liabilities	3,084,042	2,728,154	60,266	-	2,690	3,464	3,146,998	2,731,618
Total liabilities	3,158,589	3,099,645	1,122,890	-	32,320	29,411	4,313,799	3,129,056
Net assets	4,356,671	4,216,157	500,897	-	293,308	298,702	5,150,876	4,514,859

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway REIT		Elite		Gopeng		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	561,008	549,748	-	-	2,042	15,509	563,050	565,257
Profit before tax	417,919	439,424	-	-	1,783	5,808	419,702	445,232
Profit for the year	416,919	439,424	-	-	1,779	5,826	418,698	445,250
Comprehensive income/(loss)	416,762	440,028	(19,090)	-	1,779	5,826	399,451	445,854

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. INVESTMENTS IN ASSOCIATES (CONTD.)

(k) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in associates of the Group

	Sunway REIT		Elite		Gopeng		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net assets at 1 January (as previously reported)	4,216,157	4,058,562	-	-	312,269	313,616	4,528,426	4,372,178
Effect of prior year restatements	-	-	-	-	(13,567)	(13,567)	(13,567)	(13,567)
Net assets at 1 January (restated)	4,216,157	4,058,562	-	-	298,702	300,049	4,514,859	4,358,611
Capital injection			519,987	-	-	-	519,987	-
Comprehensive income for the year	416,762	440,028	(19,090)	-	1,779	5,826	399,451	445,854
Dividend paid during the year	(276,248)	(282,433)	-	-	(7,173)	(7,173)	(283,421)	(289,606)
Net assets at 31 December	4,356,671	4,216,157	500,897	-	293,308	298,702	5,150,876	4,514,859
Remeasurement gain*	352,960	352,960	-	-	-	-	352,960	352,960
Net assets after remeasurement gain at 31 December	4,709,631	4,569,117	500,897	-	293,308	298,702	5,503,836	4,867,819
Interest in associates as at year end	40.88%	39.27%	21.05%	-	19.33%	19.33%	2,087,432	1,852,031
Elimination of gain on disposal of assets to an associate	(35,353)	(17,397)	-	-	-	-	(35,353)	(17,397)
Goodwill	524	524	-	-	-	-	524	524
Effect arising from change of shareholding	27,087	18,916	-	-	-	-	27,087	18,916
Carrying value of Group's interest in associates	1,917,555	1,796,335	105,439	-	56,696	57,739	2,079,690	1,854,074

* Effects of remeasurement gain on the retained interest of the Group in the associate as at the date of the former subsidiary becoming an associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Unquoted shares at cost	888,467	829,089	800	800
Premium on acquisition	10,748	10,748	-	-
Equity contribution				
- in respect of land held for property development	5,898	5,898	-	-
Quasi-equity loan (interest-free)	330,056	683,171	-	-
Share of post-acquisition reserves	49,559	186,863	-	-
Share of non-distributable reserves	51,218	51,074	-	-
Unrealised profit arising from construction project to a joint venture	(8,134)	(3,936)	-	-
	1,327,812	1,762,907	800	800
Less: Accumulated impairment losses	(21,180)	(21,180)	-	-
	1,306,632	1,741,727	800	800
Dividend received	63,591	36,500	19,200	14,800

(a) Investment in joint venture is stated at cost in the separate financial statements. The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

(b) The Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures.

(c) Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
Joint venture with Sunway Berhad				
Sunway REIT Management Sdn. Bhd.^	Malaysia	Managing and administering real estate investment trust	80	80
Joint ventures with Sunway City Sdn. Bhd. Group				
Sunway SPK Homes Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Opus International Private Limited #	India	Property development	50	50
SunCity Medallion J.V.	Unincorporated	Property development	50	50

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
Joint ventures with Sunway City Sdn. Bhd. Group (contd.)				
Eastern Creek Stage 3 #	Unincorporated	Property development	50	50
Tianjin Eco-City Sunway Property Development Co. Ltd. (“Tianjin Eco-City”) ^	China	Property development	60	60
Sunway Iskandar Sdn. Bhd.^	Malaysia	Property development	60	60
Sunway Iskandar Development Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Avila Sdn. Bhd. ^ (formerly known as Sunglobal Resources Sdn. Bhd.)	Malaysia	Property development	55	55
Sunway Velocity Two Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Velocity Mall Sdn. Bhd. ^	Malaysia	Letting, management of shopping complex and car park operator	59	59
Sunway Velocity Hotel Sdn. Bhd. ^	Malaysia	Hotel operations	59	59
Joint ventures with Sunway Holdings Sdn. Bhd. Group				
Hoi Hup Sunway Development Pte. Ltd. #@	Singapore	Real estate development	30	30
Hoi Hup Sunway J.V. Pte. Ltd. #@	Singapore	Real estate development	30	30
Hoi Hup Sunway Property Pte. Ltd. #@	Singapore	Real estate activities with own or leased property	30	30

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
Sunway Daechang Forging Investment Limited # (in the midst of deregistration)	Hong Kong	Investment holding	50	50
Silver Coast-Sunway Innopave J.V. # ^	Unincorporated	Construction works	32.66	32.66
Hoi Hup Sunway Miltonia Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Pasir Ris Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Tampines Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Yuan Ching Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Novena Pte. Ltd. #@	Singapore	Real estate developer	-	30
Hoi Hup Sunway Mount Sophia Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Sengkang Pte. Ltd. #@	Singapore	Real estate developer	30	30
Hoi Hup Sunway Clementi Pte. Ltd. #@	Singapore	Real estate developer	30	-
Hoi Hup Sunway Canberra Pte. Ltd. #@	Singapore	Real estate developer	35	-
Daksina Harta Sdn. Bhd.	Malaysia	Property development and property investment	60	-
IJM Sunway Sdn. Bhd. #	Malaysia	Investment holding	27.22	27.22
Taisei - Sunway Joint Venture	Unincorporated	Construction Works	27.22	27.22

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(c) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Country of incorporation	Principal activities	Effective interest in equity	
			2018 %	2017 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
HL - Sunway JV Pte. Ltd. #	Singapore	Dormant	26.68	26.68
Sunway Geotechnics (M) Sdn. Bhd. - Bauer (Malaysia) Sdn. Bhd. Joint Venture ^^	Unincorporated	Bored piling works, installation of plunge in column and associated ancillary works	-	27.22
Subsidiaries of Sunway Iskandar Sdn. Bhd.				
Sunway Marketplace Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Parkview Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Seafront Sdn. Bhd. ^	Malaysia	Property development	60	60
Sunway Nursery and Landscape Sdn. Bhd.	Malaysia	Nursery and landscaping	30	30
Associate of Sunway Iskandar Sdn. Bhd.				
Daiwa Sunway Development Sdn. Bhd. #	Malaysia	Property development	18	18

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

@ These group of entities are collectively known as Hoi Hup Group

^ These entities are considered joint ventures as the Group and the venturers have joint control and have rights to the net assets of the arrangements.

^^ Terminated on 2 October 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) Summarised information of joint ventures that are material to the Group is set out below. The summarised information represents the amounts in the financial statements of the joint ventures (translated to Ringgit Malaysia, where applicable, based on exchange rates as at the end of the reporting period) and not share of the Group of those amounts. The other joint ventures are not material to the Group.

(i) Summarised statements of financial position

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2018						
Non-current assets	7,664	442,184	675	577,082	333	1,027,938
Cash and cash equivalents	422,454	45,440	455,173	8	919	923,994
Other current assets	1,637,285	1,166,936	388,397	11,923	6,653	3,211,194
Current assets	2,059,739	1,212,376	843,570	11,931	7,572	4,135,188
Total assets	2,067,403	1,654,560	844,245	589,013	7,905	5,163,126
Current liabilities (excluding trade and other payables and provisions)	335,041	105,530	-	859	3,263	444,693
Trade and other payables and provisions	24,545	146,368	481,967	13,875	2,013	668,768
Total current liabilities	359,586	251,898	481,967	14,734	5,276	1,113,461
Non-current liabilities	1,618,691	793,239	-	387,209	-	2,799,139
Total liabilities	1,978,277	1,045,137	481,967	401,943	5,276	3,912,600
Non-controlling interests	-	-	-	-	-	-
Net assets	89,126	609,423	362,278	187,070	2,629	1,250,526

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

(i) Summarised statements of financial position (contd.)

	Hoi Hup Group RM'000 (Restated)	Sunway Iskandar Sdn. Bhd. RM'000 (Restated)	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2017						
Non-current assets	686,600	914,713	1,628	547,470	416	2,150,827
Cash and cash equivalents	486,145	38,414	96,716	83	549	621,907
Other current assets	2,702,692	457,739	297,301	12,007	8,762	3,478,501
Current assets	3,188,837	496,153	394,017	12,090	9,311	4,100,408
Total assets	3,875,437	1,410,866	395,645	559,560	9,727	6,251,235
Current liabilities (excluding trade and other payables and provisions)	327,692	308,553	-	112,361	2,880	751,486
Trade and other payables and provisions	74,070	215,838	34,619	6,462	1,428	332,417
Total current liabilities	401,762	524,391	34,619	118,823	4,308	1,083,903
Non-current liabilities	2,883,700	303,069	-	252,703	-	3,439,472
Total liabilities	3,285,462	827,460	34,619	371,526	4,308	4,523,375
Non-controlling interests	-	1,704	-	-	-	1,704
Net assets	589,975	581,702	361,026	188,034	5,419	1,726,156

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2018						
Revenue	404,660	129,532	64,002	-	38,442	636,636
Depreciation and amortisation	-	(552)	-	-	(95)	(647)
Interest income	5,095	745	4,477	158	272	10,747
Interest expense	(2,254)	(356)	-	-	-	(2,610)
Profit/(Loss) before tax	40,046	18,713	16,105	(964)	27,926	101,826
Income tax expense	(1,676)	9,005	(4,067)	-	(6,716)	(3,454)
Profit/(Loss) after tax	38,370	27,718	12,038	(964)	21,210	98,372
Other comprehensive loss	(1,523)	-	(10,786)	-	-	(12,309)
Total comprehensive income/(loss)	36,847	27,718	1,252	(964)	21,210	86,063
Dividend received from joint venture during the year	43,660	-	-	-	19,200	62,860
Profit/(Loss) after tax attributable to:						
Joint venturers	38,370	27,721	12,038	(964)	21,210	98,375
Non-controlling interests	-	(3)	-	-	-	(3)
Total comprehensive income/(loss) attributable to:						
Joint venturers	36,847	27,721	1,252	(964)	21,210	86,066
Non-controlling interests	-	(3)	-	-	-	(3)
	36,847	27,718	1,252	(964)	21,210	86,063

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

	Hoi Hup Group RM'000 (Restated)	Sunway Iskandar Sdn. Bhd. RM'000 (Restated)	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2017						
Revenue	1,891,792	138,186	-	-	34,194	2,064,172
Depreciation and amortisation	-	(395)	(1,248)	-	(86)	(1,729)
Interest income	3,105	298	3,462	-	292	7,157
Interest expense	(7,437)	(6)	-	-	-	(7,443)
Profit/(Loss) before tax	145,972	8,556	(9,795)	(1,517)	24,522	167,738
Income tax expense	(7,119)	(18)	-	-	(6,081)	(13,218)
Profit/(Loss) after tax	138,853	8,538	(9,795)	(1,517)	18,441	154,520
Other comprehensive loss	(13,018)	-	(13,785)	-	-	(26,803)
Total comprehensive income/(loss)	125,835	8,538	(23,580)	(1,517)	18,441	127,717
Dividend received from joint venture during the year	21,700	-	-	-	14,800	36,500
Profit/(Loss) after tax attributable to:						
Joint ventures	138,853	8,559	(9,795)	(1,517)	18,441	154,841
Non-controlling interests	-	(321)	-	-	-	(321)
	138,853	8,538	(9,795)	(1,517)	18,441	154,520
Total comprehensive income/(loss) attributable to:						
Joint ventures	125,835	8,559	(23,580)	(1,517)	18,441	128,038
Non-controlling interests	-	(321)	-	-	-	(321)
	125,835	8,538	(23,580)	(1,517)	18,441	127,717

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group

	Hoi Hup Group	Sunway Iskandar Sdn. Bhd.	Tianjin Eco-City	Sunway Iskandar Development Sdn. Bhd.	Sunway REIT Management Sdn. Bhd.	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2018						
Net assets at 1 January (as previously reported)	599,012	584,897	361,026	188,034	5,419	1,738,388
Effects of adoption of MFRS 15	(9,037)	(3,195)	-	-	-	(12,232)
Net assets at 1 January (restated)	589,975	581,702	361,026	188,034	5,419	1,726,156
Capital injection	24,348	-	-	-	-	24,348
Total comprehensive income/(loss) attributable to joint venturers	36,847	27,721	1,252	(964)	21,210	86,066
Disposals during the year	(416,509)	-	-	-	-	(416,509)
Dividend paid during the year	(145,535)	-	-	-	(24,000)	(169,535)
Net assets at 31 December	89,126	609,423	362,278	187,070	2,629	1,250,526
Interest in joint ventures as at year end	30%	60%	60%	60%	80%	
	26,738	365,654	217,367	112,242	2,103	724,104
Effect arising from change of shareholding	-	1,628	(483)	-	-	1,145
Unrealised profit arising from construction project to a joint venture	-	(7,999)	-	(135)	-	(8,134)
Goodwill	-	8,556	-	-	-	8,556
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	330,056	-	-	-	-	330,056
Carrying value of Group's interest in joint ventures	356,794	367,839	216,884	112,107	110,473	1,164,097

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group (contd.)

	Hoi Hup Group RM'000 (Restated)	Sunway Iskandar Sdn. Bhd. RM'000 (Restated)	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Total RM'000
At 31 December 2017						
Net assets at 1 January (as previously reported)	539,967	578,499	384,606	189,551	4,771	1,697,394
Effects of adoption of MFRS 15	(12,018)	(5,656)	-	-	-	(17,674)
Net assets at 1 January (restated)	527,949	572,843	384,606	189,551	4,771	1,679,720
Capital injection	8,524	-	-	-	-	8,524
Total comprehensive income/(loss) attributable to joint venturers	125,835	8,859	(23,580)	(1,517)	18,441	128,038
Dividend paid during the year	(72,333)	-	-	-	(17,793)	(90,126)
Net assets at 31 December	589,975	581,702	361,026	188,034	5,419	1,726,156
Interest in joint ventures as at year end	30%	60%	60%	60%	80%	
	176,993	349,021	216,616	112,820	4,335	859,785
Effect arising from change of shareholding	-	1,628	(482)	-	-	1,146
Unrealised profit arising from construction project to a joint venture	-	(3,362)	-	(574)	-	(3,936)
Goodwill	-	8,556	-	-	-	8,556
Remeasurement gain	-	-	-	-	108,370	108,370
Quasi-equity loan	683,171	-	-	-	-	683,171
Carrying value of Group's interest in joint ventures	860,164	355,843	216,134	112,246	112,705	1,657,092

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. INVESTMENTS IN JOINT VENTURES (CONTD.)

- (e) The details of goodwill included within the Group's carrying amount of investments in joint ventures are as follows:

	2018 RM'000	2017 RM'000
Cost		
Arising from investment in a joint venture and as at 31 December	10,748	10,748

- (f) On 30 January 2018, Sunway Concrete Products (S) Pte. Ltd., an indirect wholly-owned subsidiary of Sunway Construction Group Berhad ("SCG"), which in turn is an indirect subsidiary of the Company, had entered into an agreement with HL Building Materials Pte. Ltd. to form a joint venture known as HL-Sunway JV Pte. Ltd. for a cash consideration of approximately RM44,739,000, on a 49:51 basis to tender for the lease of land in Singapore from the Building and Construction Authority;
- (g) On 20 February 2018, Sunway Developments Pte. Ltd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB"), which in turn is a wholly-owned subsidiary of the Company, had incorporated two new joint ventures known as Hoi Hup Sunway Clementi Pte. Ltd. ("HHSC") and Hoi Hup Sunway Canberra Pte. Ltd. ("HHC") with an equity interest of 30% and 35% in the share capital of HHSC and HHC for cash considerations of SGD1,400,000 and SGD1,200,000 respectively (equivalent of approximately RM3,563,000 and RM4,261,000 respectively);
- (h) On 26 June 2018, Sunway Developments Pte. Ltd., a wholly-owned subsidiary of SHSB, which in turn is a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Hoi Hup Realty Pte Ltd ("Hoi Hup") for the purpose of disposing its entire 300,000 ordinary shares representing 30% equity interest in Hoi Hup Sunway Novena Pte Ltd ("HHSN") to Hoi Hup for a cash consideration of approximately SGD39,900,000 (equivalent to approximately RM122,832,000) and record a gain on disposal of joint venture of RM738,000;
- (i) On 2 October 2018, Sunway Geotechnics (M) Sdn. Bhd. ("SunGeo"), an indirect wholly-owned subsidiary of SCG, had signed a letter of termination with Bauer (Malaysia) Sdn. Bhd. ("Bauer") to terminate its unincorporated joint venture with Bauer, namely Sunway Geotechnics (M) Sdn. Bhd. – Bauer (Malaysia) Sdn. Bhd. Joint Venture. This is in view of the completion of the works known as the Bored Piling Works, Installation of Plunge in Column and associated ancillary works forming part of "Package 2 : Construction and Completion of Piling and Sub-Structure Works and Associated Works for the Proposed Mixed Commercial Development for Lot 185 and Lot 167(K) at Persiaran KLCC, Kuala Lumpur City Centre"; and
- (j) On 9 November 2018, SunwayMas Sdn. Bhd., a wholly-owned subsidiary of SHSB had disposed of 40% equity interest comprising four (4) ordinary shares in Daksina Harta Sdn. Bhd. for cash consideration of RM5,000,000. Further information on this can be referred to in Note 19(h).
- (k) The Company assessed whether there are any indicators of impairment during the financial year. In doing this, management considered the current environment and performance of the Cash Generating Units ("CGUs").

Management has made estimates about the future results and key assumptions applied to cash flow forecasts of the CGUs in determining their recoverable amounts using the value-in-use model. These key assumptions include forecast growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rate.

In the previous financial year, impairment loss of RM3,867,000 was reversed due to improving business operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

22. GOODWILL

	Group 2018 RM'000	2017 RM'000 (Restated)
Cost		
At beginning of financial year (as previously reported)	341,913	341,413
Effect of prior year restatements	(28)	(28)
At beginning of financial year (restated)	341,885	341,385
Acquisitions of businesses	2,079	500
At end of financial year	343,964	341,885
Accumulated impairment losses		
At beginning of financial year	(30,071)	(29,573)
Impairment loss for the year	-	(498)
At end of financial year	(30,071)	(30,071)
Net carrying amount	313,893	311,814

Allocation of goodwill

Goodwill has been allocated to the cash-generating units ('CGU') of the Group, according to business segments as follows:

	2018 RM'000	2017 RM'000 (Restated)
Property investment *	185,301	185,301
Construction	74,080	74,080
Quarry	40,149	40,149
Property development	247	247
Others	14,116	12,037
	313,893	311,814

* The property investment segment includes property investment, leisure and hospitality.

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

During the financial year, the Group had acquired Sunway Paving Solutions (Sabah) Sdn. Bhd. (formerly known as Telipok Concrete Sdn. Bhd.) and pharmaceutical businesses resulted in additional goodwill of RM1,759,000 and RM320,000 respectively.

In the previous financial year, an impairment loss on goodwill amounting to RM498,000 has been recognised due to declining business operations of the subsidiary.

Key assumptions used in value-in-use calculations

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

22. GOODWILL (CONTD.)**Key assumptions used in value-in-use calculations (contd.)**

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three-year period. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %
At 31 December 2018			
Gross margin	9.7	6.5	37.4
Growth rate	13.3	-	3.6
Discount rate	10.0	10.0	10.0
At 31 December 2017			
Gross margin	13.6	10.8	41.8
Growth rate	13.8	-	10.6
Discount rate	10.0	10.0	10.0

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements or deficiency.

(ii) Growth rate

The growth rate used is determined using a simple average of the annual EBITDA growth rate obtained from financial budgets approved by management. The financial budgets cover a period of three years and the growth rate after the third year is assumed to be zero. The effect of changes to the parameters is not material to the growth rate used.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the major business segments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. DEFERRED TAX

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	20,503	23,803	-	-
Recognised in profit or loss (Note 12)	16,888	(2,984)	-	-
Disposal of a subsidiary	172	(45)	-	-
Exchange differences	448	(271)	-	-
At end of financial year	38,011	20,503	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets, net*	(108,896)	(100,828)	-	-
Deferred tax liabilities, net*	146,907	121,331	-	-
	38,011	20,503	-	-

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM136,290,000 (2017: RM117,515,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. DEFERRED TAX (CONTD.)

(a) The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax assets of the Group:

	Unused tax losses and unabsorbed capital allowances	Land held for development	Provisions for liabilities	Other payables	Property, plant and equipment	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	(26,861)	(16,165)	(16,424)	(36,701)	(1,217)	(28,172)	(125,540)
Recognised in profit or loss	(67,327)	12,442	(27,201)	15,879	(3)	(26,743)	(92,953)
Exchange differences	-	-	(1)	-	(21)	172	150
At 31 December 2017	(94,188)	(3,723)	(43,626)	(20,822)	(1,241)	(54,743)	(218,343)
Recognised in profit or loss	(7,888)	(9,570)	6,891	6,650	(136)	(23,297)	(27,350)
Disposal of a subsidiary	134	-	-	-	-	38	172
Exchange differences	(245)	-	272	-	1	307	335
At 31 December 2018	(102,187)	(13,293)	(36,463)	(14,172)	(1,376)	(77,695)	(245,186)

Deferred tax liabilities of the Group:

	Property, plant and equipment	Investment properties	Others	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2017				
Recognised in profit or loss	36,902	104,830	7,611	149,343
Disposal of a subsidiary	60,185	30,150	(366)	89,969
Exchange differences	(45)	-	-	(45)
	-	-	(421)	(421)
At 31 December 2017	97,042	134,980	6,824	238,846
Recognised in profit or loss	21,125	22,129	984	44,238
Exchange differences	-	-	113	113
At 31 December 2018	118,167	157,109	7,921	283,197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. DEFERRED TAX (CONTD.)

(b) Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Unused tax losses				
- Expired by 31 December 2025	180,923	162,595	2,618	-
Unabsorbed capital allowances	41,985	48,490	1,314	1,180
Unused investment tax allowances	480,429	533,224	-	-
Other deductible temporary differences	26,642	29,988	882	808
	729,979	774,297	4,814	1,988

Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

24. TRADE RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Non-current				
Finance lease receivables	27	-	-	-
Hire purchase receivables	2,317	3,481	-	-
Loans and advances	62,073	50,938	-	-
	64,417	54,419	-	-
Less: Allowance for impairment	(579)	(3,012)	-	-
	63,838	51,407	-	-
Current				
Third parties	1,329,746	1,439,856	-	-
Retention sums	233,300	295,694	-	-
Finance lease receivables	1,557	2,037	-	-
Hire purchase receivables	2,458	2,389	-	-
Loans and advances	35,508	19,865	-	-
	1,602,569	1,759,841	-	-
Less: Allowance for impairment	(88,045)	(100,754)	-	-
	1,514,524	1,659,087	-	-
Total trade receivables	1,578,362	1,710,494	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. TRADE RECEIVABLES (CONTD.)

(a) Included in trade receivables are the following amounts due from related parties:

	Group	
	2018	2017
	RM'000	RM'000
Sunway Technology Sdn. Bhd. Group	1,559	2,739
Sunway REIT (RHB Trustees Bhd)	-	291

The amounts due from related parties are unsecured, non-interest bearing and the credit period is generally for a period of 14 days to 120 days (2017: 14 days to 120 days). The relationship with the related parties are as disclosed in Note 52 to the financial statements.

(b) Total trade receivables are classified as financial assets measured at amortised cost.

(c) The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 14 days to 120 days (2017: 14 days to 120 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing except as stated in Note 24(i).

(d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Finance lease receivables:		
Not later than 1 year	1,571	2,050
Later than 1 year and not later than 5 years	17	-
	1,588	2,050
Less: Unearned interest	(4)	(13)
	1,584	2,037
Representing finance lease receivables:		
Not later than 1 year	1,557	2,037
Later than 1 year and not later than 5 years	27	-
	1,584	2,037
Hire purchase receivables:		
Not later than 1 year	3,858	2,704
Later than 1 year and not later than 5 years	1,382	3,763
	5,240	6,467
Less: Unearned interest	(465)	(597)
	4,775	5,870
Representing hire purchase receivables:		
Not later than 1 year	2,458	2,389
Later than 1 year and not later than 5 years	2,317	3,481
	4,775	5,870

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. TRADE RECEIVABLES (CONTD.)

- (d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows (contd.):

	Group	
	2018	2017
	RM'000	RM'000
Loans and advances:		
Not later than 1 year	35,508	19,865
Later than 1 year and not later than 5 years	39,902	36,584
Later than 5 years	22,171	14,354
	97,581	70,803

- (e) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 3 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Lifetime ECL	Group	
	allowance	Credit	Total
	RM'000	impaired	allowance
	RM'000	RM'000	RM'000
At 1 January 2018 (as previously reported)	-	93,263	93,263
Effects of prior year restatements	-	(1,377)	(1,377)
Effects of adoption of MFRS 9	11,880	-	11,880
At beginning of financial year (restated)	11,880	91,886	103,766
Charge for the year	2,331	13,298	15,629
Reversal of impairment losses	(3,963)	(20,545)	(24,508)
Written off	-	(6,223)	(6,223)
Exchange differences	4	(44)	(40)
At 31 December 2018	10,252	78,372	88,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. TRADE RECEIVABLES (CONTD.)

(e) (contd.)

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Lifetime ECL allowance RM'000	Group Credit impaired RM'000	Total allowance RM'000
At 1 January 2017 (as previously reported)	-	61,900	61,900
Effects of prior year restatements	-	(1,377)	(1,377)
Effects of adoption of MFRS 9	6,112	-	6,112
At beginning of financial year (restated)	6,112	60,523	66,635
Charge for the year	6,231	38,949	45,180
Reversal of impairment losses	(463)	(6,260)	(6,723)
Written off	-	(1,025)	(1,025)
Exchange differences	-	(251)	(251)
Disposal of subsidiaries	-	(50)	(50)
At 31 December 2017	11,880	91,886	103,766

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group 2018 RM'000	2017 RM'000
Maximum exposure	1,578,362	1,710,494
Collateral obtained	(163,147)	(272,270)
Net exposure to credit risk	1,415,215	1,438,224

The above collaterals are letters of undertaking from financial institutions for properties sold, deposits received from customers and other collaterals for finance lease receivables.

(f) Aging analysis of the trade receivables is as follows:

	2018		
Group	Gross RM'000	Impaired RM'000	Total RM'000
Current	1,092,389	4,418	1,087,971
1 to 30 days past due	153,139	722	152,417
31 to 60 days past due	104,044	620	103,424
61 to 90 days past due	84,770	651	84,119
91 to 120 days past due	48,634	459	48,175
More than 120 days past due	184,010	81,754	102,256
	574,597	84,206	490,391
	1,666,986	88,624	1,578,362

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. TRADE RECEIVABLES (CONTD.)

(f) Aging analysis of the trade receivables is as follows: (contd.)

Group	2017		
	Gross RM'000	Impaired RM'000	Total RM'000
Current	1,406,420	7,709	1,398,711
1 to 30 days past due	110,136	641	109,495
31 to 60 days past due	80,359	526	79,833
61 to 90 days past due	36,733	261	36,472
91 to 120 days past due	18,535	177	18,358
More than 120 days past due	162,077	94,452	67,625
	407,840	96,057	311,783
	1,814,260	103,766	1,710,494

(g) The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's total trade receivables at the end of the reporting period is as follows:

Group	2018		2017	
	RM'000	% of total	RM'000 (Restated)	% of total (Restated)
By country:				
Malaysia	1,411,114	89.40%	1,566,312	91.57%
Singapore	90,899	5.76%	65,097	3.81%
China	48,806	3.09%	51,023	2.98%
Australia	3,890	0.25%	5,625	0.33%
Thailand	7,045	0.45%	4,761	0.28%
Vietnam	793	0.05%	503	0.03%
Others	15,815	1.00%	17,173	1.00%
	1,578,362	100.00%	1,710,494	100.00%

Group	2018		2017	
	RM'000	% of total	RM'000 (Restated)	% of total (Restated)
By segment:				
Property development	151,086	9.58%	263,603	15.40%
Property investment	3,211	0.20%	1,312	0.08%
Construction	810,847	51.37%	898,668	52.54%
Trading and manufacturing	276,905	17.54%	243,596	14.24%
Quarry	66,316	4.20%	57,218	3.35%
Others	269,997	17.11%	246,097	14.39%
	1,578,362	100.00%	1,710,494	100.00%

(h) Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of activities, and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. TRADE RECEIVABLES (CONTD.)

- (i) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	Group	
	2018	2017
	RM'000	RM'000
Fixed rate	103,940	78,710

Sensitivity analysis for fixed rate trade receivables at the end of the reporting period is not presented as it is not affected by changes in interest rates.

- (j) The carrying amounts of trade receivables of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group	
	Carrying amount	Fair value
	RM'000	RM'000

At 31 December 2018

Finance lease receivables	27	25
Hire purchase receivables (Non-current)	1,738	1,444
Loans and advances (Non-current)	62,073	50,731

At 31 December 2017

Hire purchase receivables (Non-current)	2,902	2,535
Loans and advances (Non-current)	48,505	41,342

- (k) The fair values of finance lease receivables, hire purchase receivables and loans and advances are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

25. OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Non-current				
Receivable	24,956	11,351	-	-
Current				
Deposits	41,813	73,591	94	106
Prepayments	55,221	64,901	3,451	5,321
Receivables	222,265	178,704	11,871	6,428
	319,299	317,196	15,416	11,855
Less: Allowance for impairment	(32,307)	(31,945)	-	-
	286,992	285,251	15,416	11,855
Total other receivables	311,948	296,602	15,416	11,855

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

25. OTHER RECEIVABLES (CONTD.)

- (a) Included in other receivables are the following amounts due from related parties:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sunway Technology Sdn. Bhd. Group	219	102	65	84

The amounts due from related parties are unsecured, non-interest bearing and repayable based on credit terms granted. The relationship with the related parties are as disclosed in Note 52 to the financial statements.

- (b) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (c) The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- (d) Impairment for other receivables, amounts due from subsidiaries, associates and joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment other receivables, amounts due from subsidiaries, associates and joint ventures is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables, amounts due from subsidiaries, associates and joint ventures.

It requires management to exercise significant judgement in determining the probability of default by other receivables, amounts due from subsidiaries, associates and joint ventures appropriate forward looking information and significant increase in credit risk.

The reconciliation of movements in allowance for impairment accounts in other receivables is as follows:

	Group		
	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2018 (as previously reported)	-	31,611	31,611
Effects of adoption of MFRS 9	334	-	334
At beginning of financial year (restated)	334	31,611	31,945
Charge for the year	66	420	486
Reversal of impairment losses	-	(59)	(59)
Written off	-	(65)	(65)
At 31 December 2018	400	31,907	32,307
At 1 January 2017 (as previously reported)	-	34,482	34,482
Effects of adoption of MFRS 9	556	-	556
At beginning of financial year (restated)	556	34,482	35,038
Reversal of impairment losses	(222)	(1,103)	(1,325)
Written off	-	(1,768)	(1,768)
At 31 December 2017	334	31,611	31,945

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

25. OTHER RECEIVABLES (CONTD.)

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

26. DERIVATIVES

Group	Note	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
As at 31 December 2018				
Non-current				
Forward currency contracts	(b)(ii)	18,259	-	(36)
Current				
Forward currency contracts	(b)(ii)	19,675	15	(1,189)
Cross currency swap	(b)(iii)	1,765,790	64,614	(16,038)
		1,785,465	64,629	(17,227)
Total derivatives		1,803,724	64,629	(17,263)
As at 31 December 2017				
Non-current				
Forward currency contracts	(b)(ii)	35,127	-	(926)
Cross currency swap	(b)(iii)	361,258	34,181	(3,570)
		396,385	34,181	(4,496)
Current				
Interest rate swap	(b)(i)	100,000	-	(45)
Forward currency contracts	(b)(ii)	26,062	-	(919)
Cross currency swap	(b)(iii)	1,710,645	68,378	(47,351)
		1,836,707	68,378	(48,315)
Total derivatives		2,233,092	102,559	(52,811)

(a) Derivatives are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

(b) The Group entered into derivatives as follows:

(i) Interest rate swap

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. In 2017, the Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap received floating interest rate equals to Kuala Lumpur Interbank Offered Rate ("KLIBOR") per annum and paid fixed rate of interest of 3.62% per annum.

The fair values of the interest rate swap contracts are determined by using the mark to market values at the end of the reporting period and changes in the fair value is recognised in the profit or loss.

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

26. DERIVATIVES (CONTD.)

(b) The Group entered into derivatives as follows: (contd)

(ii) Foreign currency forward contracts

The Group entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are entered into for periods consistent with currency transaction exposure and fair value changes exposure. The Group also uses foreign currency forward contracts as derivatives to hedge future changes in currency exposure of cash flows from foreign operations. The effective portions of the change in fair value of the derivatives are recognised in the foreign currency translation reserve. Any ineffective portions of net investment hedges are recognised immediately in the profit and loss.

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

(iii) Cross currency swap contracts

The Group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings, which was entered into to minimise the interest cost. The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the profit or loss. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss.

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

(c) The maturity profile of the Group's derivative liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2018				
Derivatives - settled net	17,227	36	-	17,263
As at 31 December 2017				
Derivatives - settled net	48,315	4,496	-	52,811

(d) Derivatives are categorised as Level 2 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

27. ROCK RESERVES

	Group	
	2018	2017
	RM'000	RM'000
At beginning of financial year	6,131	6,394
Amortisation during the financial year	(263)	(263)
At end of financial year	5,868	6,131

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

28. OTHER INVESTMENTS

		Group		Company	
		2018	2017	2018	2017
	Note	RM'000	RM'000	RM'000	RM'000
Non-current					
Equity securities:					
- Quoted ordinary shares	(b)	121,147	-	-	-
- Unquoted ordinary shares	(c)	599	222	-	-
Corporate memberships	(d)	651	591	78	78
		122,397	813	78	78

(a) The equity securities were classified as financial assets at fair value through other comprehensive income pursuant to MFRS 9 *Financial Instruments*.

Equity securities, which are not held for trading for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.

(b) Fair value of quoted ordinary shares in Malaysia is determined by reference to the exchange quoted market prices at the close of the business on the reporting date. The fair value of quoted ordinary shares of the Group is categorised as Level 1 in the fair value hierarchy.

(c) Unquoted ordinary shares of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares of the Group are estimated based on adjusted net asset method.

(d) The corporate memberships were classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. The fair value of corporate memberships of the Group and of the Company is categorised as Level 2 in the fair value hierarchy.

(e) Sensitivity analysis of quoted ordinary shares

As the Group neither has the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

29. BIOLOGICAL ASSETS

All items of biological assets are initially recorded at cost. Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Biological assets consist of animals in petting zoos operated by subsidiaries.

30. CONTRACT ASSETS/LIABILITIES

	Group	
	2018	2017
	RM'000	RM'000
Aggregate pre-contract costs incurred to date	1,439,021	1,162,806
Less: Impairment loss	(182)	(18)
Add: Attributable profits	638,765	508,201
	2,077,604	1,670,989
Less: Progress billings	(2,010,611)	(1,600,998)
	66,993	69,991
Represented by:		
Property development contracts:		
Contract assets	100,765	104,660
Contract liabilities	(33,772)	(34,669)
	66,993	69,991

(a) Property development contracts

Property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

(b) The amount of RM21,909,000 (2017: RM40,589,000) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

30. CONTRACT ASSETS/LIABILITIES (CONTD.)

(c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Within 1 year	332,708	142,037
Between 1 and 4 years	359,875	308,605
	692,583	450,642

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 24(e) to the financial statements.

The reconciliation of movements in allowance for impairment accounts in contract assets is as follows:

	Group	
	Lifetime ECL allowance	
	2018	2017
	RM'000	RM'000
At beginning of financial year (as previously reported)	-	-
Effects of adoption of MFRS 9	18	13
At beginning of financial year (restated)	18	13
Charge for the year	164	5
At 31 December 2018	182	18

31. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Cash and bank balances				
Cash at banks and on hand	416,014	520,422	18,947	6,869
Deposits with:				
Licensed banks	51,940	65,089	20	20
Other financial institutions	2,141,599	1,797,359	214,206	729,275
Total cash and bank balances	2,609,553	2,382,870	233,173	736,164
Placement in funds	2,526,479	2,035,734	885,000	529,511

(a) Included in cash at banks of the Group are amounts of RM102,544,000 (2017: RM125,286,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

31. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS (CONTD.)

(b) The weighted average effective interest rates are as follows:

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Deposits with licensed banks	2.09	1.96	2.95	2.98
Deposits with other financial institutions	4.53	3.90	5.21	3.91

(c) The weighted average effective average maturity days are as follows:

	Group		Company	
	2018	2017	2018	2017
Deposits with licensed banks	99	117	182	182
Deposits with other financial institutions	16	10	23	6

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Cash and bank balances	2,609,553	2,382,870	233,173	736,164
Bank overdrafts (Note 36)	(101,446)	(133,707)	-	-
Deposits with licensed banks and other financial institutions with maturity of over 3 months	(225)	(12,263)	(20)	(6,033)
Total cash and cash equivalents	2,507,882	2,236,900	233,153	730,131

(e) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Fixed rate	61,768	66,221	20	20
Variable rate	2,234,315	1,921,513	214,206	729,275

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group and of the Company to be higher/(lower) by RM4,245,000 (2017: RM3,651,000) and RM407,000 (2017: RM1,386,000) respectively.

(f) Cash and bank balances are classified as financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

31. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS (CONTD.)

- (g) Placement in funds are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy.
- (h) No expected credit losses were recognised arising from cash at banks, deposits with licensed banks and other financial institutions because the probability of default by these financial institutions were negligible.

32. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2018	2017
	RM'000	RM'000
		(Restated)
Current assets		
Interest bearing amounts	2,426,714	1,671,598
Non-interest bearing amounts	15,241	75,904
Total amounts due from subsidiaries	2,441,955	1,747,502
Less: Accumulated impairment loss	(1,343)	(956)
Total amounts due from subsidiaries	2,440,612	1,746,546
Current liabilities		
Non-interest bearing amounts	(3,220)	(5,557)
Total amounts due to subsidiaries	(3,220)	(5,557)

- (a) The amounts due from subsidiaries are unsecured, payable within next twelve months in cash and cash equivalents and non-interest bearing except for interest bearing amounts, which bear interest at rates ranging from 3.15% to 7.55% (2017: 3.10% to 7.55%) per annum.
- (b) The amounts due to subsidiaries are unsecured, interest free and payable within next twelve months in cash and cash equivalents.
- (c) At the end of the reporting period, the interest rate profile of the interest-bearing amounts due from subsidiaries was:

	Company	
	2018	2017
	RM'000	RM'000
Variable rate	2,426,714	1,671,598

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax to be higher/(lower) by RM4,611,000 (2017: RM3,176,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

32. AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONTD.)

- (d) Impairment for receivables from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of amounts due from subsidiaries is as follows:

	Company	
	Lifetime ECL allowance	
	2018	2017
	RM'000	RM'000
At beginning of the year (as previously reported)	-	-
Effects of adoption of MFRS 9	956	572
At beginning of financial year (restated)	956	572
Charge for the year	387	384
At end of the year	1,343	956

- (e) Amounts due from subsidiaries are classified as financial assets measured at amortised cost.
- (f) The maturity profile of amounts due to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve months.

33. AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Current				
Amounts due from associates	45,892	41,904	1,745	824
Less: Allowance for impairment	(315)	(458)	(1)	-
Total amounts due from associates	45,577	41,446	1,744	824
Current				
Amounts due to associates	(11,286)	(14,850)	-	(39)

- (a) The amounts due from/(to) associates of the Group and of the Company are unsecured, non-interest bearing and payable within next twelve months in cash and cash equivalents.
- (b) The maturity profile of amounts due to associates of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

33. AMOUNTS DUE FROM/(TO) ASSOCIATES (CONTD.)

- (c) Impairment for receivables from amounts due from associates are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of amounts due from associates is as follows:

	Lifetime ECL allowance	
	2018 RM'000	2017 RM'000
Group		
At beginning of financial year (as previously reported)	-	-
Effects of adoption of MFRS 9	458	342
At beginning of financial year (restated)	458	342
Charge for the year	15	116
Reversal of impairment losses	(158)	-
At end of financial year	315	458
Company		
At beginning of financial year (as previously reported)	-	-
Effects of adoption of MFRS 9	-	-
At beginning of financial year (restated)	-	-
Charge for the year	1	-
At end of financial year	1	-

- (d) Amounts due from associates are classified as financial assets measured at amortised cost.

34. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	Group		Company	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000 (Restated)
Non-current				
Amounts due from joint ventures	1,828,171	1,242,094	-	-
Less: Allowance of impairment	(250)	(20)	-	-
	1,827,921	1,242,074	-	-
Current				
Amounts due from joint ventures	140,987	150,573	2,384	1,562
Less: Allowance of impairment	(41,621)	(37,542)	(1)	-
	99,366	113,031	2,383	1,562
Total amounts due from joint ventures	1,927,287	1,355,105	2,383	1,562
Non-current				
Amounts due to joint venture	(4,358)	-	-	-
Current				
Amounts due to joint ventures	(64,118)	(58,601)	-	(11)
Total amounts due to joint ventures	(68,476)	(58,601)	-	(11)

- (a) The amounts due from/(to) joint ventures of the Group and of the Company are unsecured, non-interest bearing and payable within next twelve months in cash and cash equivalents except for amounts due from joint ventures of RM1,826,048,000 (2017: RM1,222,610,000), which bears an interest rate of 6.22% (2017: 5.06%) per annum and amounts due to joint ventures of RM26,530,000 (2017: RM18,678,000), which bears an interest rate of 4.35% (2017: 4.35%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

- (b) At the end of the reporting period, the interest rate profile of the interest-bearing amounts due from/(to) joint ventures was:

	Group	
	2018 RM'000	2017 RM'000 (Restated)
Amounts due from joint ventures		
- Fixed rate	1,826,048	1,222,610
Amounts due to joint ventures		
- Fixed rate	(26,530)	(18,678)

Sensitivity analysis for fixed rate amounts due from joint ventures at the end of the reporting period is not presented as it is not affected by changes in interest rates.

- (c) Impairment for receivables from amounts due from joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 25(d) to the financial statements.
- (d) The reconciliation of movements in allowance for impairment accounts of amounts due from joint ventures is as follows:

	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
Group			
At 1 January 2018 (as previously reported)	-	37,481	37,481
Effects of adoption of MFRS 9	81	-	81
At 1 January 2018 (restated)	81	37,481	37,562
Charge for the year	183	4,192	4,375
Reversal of impairment losses	-	(66)	(66)
At 31 December 2018	264	41,607	41,871
At 1 January 2017 (as previously reported)	-	4,917	4,917
Effects of adoption of MFRS 9	126	-	126
At 1 January 2017 (restated)	126	4,917	5,043
Charge for the year	-	32,564	32,564
Reversal of impairment losses	(45)	-	(45)
At 31 December 2017	81	37,481	37,562
Company			
At 1 January 2018 (as previously reported)	-	-	-
Effects of adoption of MFRS 9	-	-	-
At 1 January 2018 (restated)	-	-	-
Charge for the year	1	-	1
At 31 December 2018	1	-	1
At 1 January 2017 (as previously reported)	-	-	-
Effects of adoption of MFRS 9	-	-	-
At 1 January 2017 (restated)	-	-	-
Reversal of impairment losses	-	-	-
At 31 December 2017	-	-	-

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

- (e) The maturity profile of amounts due to joint ventures of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable within the next twelve months.
- (f) Amounts due from joint ventures are classified as financial assets measured at amortised cost.

35. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 24 December 2018, Sunway Destiny Sdn. Bhd., a wholly-owned subsidiary of Sunway City Sdn. Bhd., which is in turn a wholly-owned subsidiary of Sunway, entered into a conditional sales and purchase agreement with RHB Trustees Berhad ("Trustee"), being the Trustee of Sunway REIT, for its proposed disposal of the lands and buildings for a total disposal consideration of RM550,000,000 to be entirely satisfied in cash. Accordingly, management had classified the said property as held for sale in accordance with the requirements of MFRS 5.

	Group 2018 RM'000
Investment properties (Note 17)	486,128

In the previous financial year, on 3 August 2017, the Group entered into negotiations with Trustee, as Trustee for Sunway REIT, to dispose Sunway Clio property. Accordingly, management had classified the said property as held for sale in accordance with the requirements of MFRS 5.

	Group 2017 RM'000
Property, plant and equipment (Note 15)	294,283

The disposal had been completed during the financial year ended 31 December 2018.

36. BORROWINGS

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Short term borrowings				
<u>Secured:</u>				
Bank overdrafts	101,446	133,707	-	-
Bankers' acceptances	2,330	17,424	-	-
Term loans	1,601,571	1,522,955	-	-
Revolving credits	869,215	487,475	-	-
	2,574,562	2,161,561	-	-
Less: Unamortised				
transaction costs	(35)	(127)	-	-
	2,574,527	2,161,434	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

	Note	Group	Company		
		2018	2017	2018	2017
		RM'000	RM'000	RM'000	RM'000
(Restated)					
Short term borrowings					
Unsecured:					
Bankers' acceptances		179,683	120,492	-	-
Term loans		155,568	298,411	-	-
Revolving credits		422,269	310,000	80,000	80,000
Commercial papers		2,326,000	1,880,000	1,166,000	980,000
Medium term notes		560,000	1,278	-	-
Bills discounting		107,544	134,659	-	-
Bills payable		11,512	4,223	-	-
		3,762,576	2,749,063	1,246,000	1,060,000
		6,337,103	4,910,497	1,246,000	1,060,000
Long term borrowings					
Secured:					
Term loans		445,257	1,178,200	-	-
Less: Unamortised transaction costs		(31)	(90)	-	-
		445,226	1,178,110	-	-
Unsecured:					
Medium term notes		2,090,000	1,690,000	610,000	610,000
		2,535,226	2,868,110	610,000	610,000
Total borrowings					
Bank overdrafts	31	101,446	133,707	-	-
Term loans	(h)(i)	2,202,396	2,999,566	-	-
Revolving credits	(h)(ii)	1,291,484	797,475	80,000	80,000
Medium term notes	(h)(iii)	2,650,000	1,691,278	610,000	610,000
Commercial papers		2,326,000	1,880,000	1,166,000	980,000
Bankers' acceptances		182,013	137,916	-	-
Bills discounting		107,544	134,659	-	-
Bills payable		11,512	4,223	-	-
		8,872,395	7,778,824	1,856,000	1,670,000
Less: Unamortised transaction costs		(66)	(217)	-	-
		8,872,329	7,778,607	1,856,000	1,670,000

(a) Borrowings of the Group amounting to RM4,296,995,000 (2017: RM3,367,064,000) were Islamic financing facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

- (b) The Company provides financial guarantees to financial institutions for borrowings amounting to RM6,921,622,000 (2017: RM5,746,649,000) obtained by its subsidiaries.

The fair value of the financial guarantees is immaterial and is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

- (c) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
	(Restated)			
Bank overdrafts	6.00	6.00	-	-
Term loans	4.00	3.99	-	-
Revolving credits	3.98	3.99	4.06	3.95
Medium term notes	4.25	5.02	5.08	5.08
Commercial papers	3.96	3.92	3.93	3.85
Bankers' acceptances	4.00	4.03	-	-
Bills discounting	4.00	4.00	-	-
Bills payable	1.99	1.91	-	-

- (d) The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on some of its borrowings. The contracts entitle the Group to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the swaps, the Group agrees with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

- (e) The Group and the Company also entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings, which were entered into to minimise the interest cost.

- (f) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Fixed rate	7,462,753	5,553,478	1,856,000	1,670,000
Variable rate	1,409,576	2,225,129	-	-

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM2,678,000 (2017: RM4,228,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

(g) The impact of cross currency swap contracts to the Group's and the Company's borrowings are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Total borrowings	8,872,329	7,778,607	1,856,000	1,670,000
Less: Cross currency swap	(48,576)	(51,638)	-	-
Net borrowings after cross currency swap	8,823,753	7,726,969	1,856,000	1,670,000

At the end of the reporting period, the interest rate profile of the net borrowings after cross currency swap was:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Fixed rate	7,443,902	5,502,849	1,856,000	1,670,000
Variable rate	1,379,851	2,224,120	-	-

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM2,622,000 (2017: RM4,226,000).

(h) The maturity profile of the Group's and the Company's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Group				
As at 31 December 2018	6,439,281	2,679,042	271	9,118,594
As at 31 December 2017	5,320,877	2,842,608	107,430	8,270,915
Company				
As at 31 December 2018	1,279,730	621,460	-	1,901,190
As at 31 December 2017	1,100,055	657,041	-	1,757,096

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

(h) The maturity profile of the Group's and the Company's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below: (contd.)

(i) The maturity of the term loans is as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	1,757,128	1,821,366	-	-
Later than 1 year and not later than 2 years	445,037	471,903	-	-
Later than 2 years and not later than 3 years	7	445,865	-	-
Later than 3 years and not later than 4 years	7	250,906	-	-
Later than 4 years and not later than 5 years	8	949	-	-
Later than 5 years	209	8,577	-	-
	2,202,396	2,999,566	-	-

(ii) The maturity of the revolving credits is as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Not later than 1 year	1,291,484	797,475	80,000	80,000

(iii) The maturity of the medium term notes is as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
		(Restated)		
Not later than 1 year	560,000	1,278	-	-
Later than 1 year and not later than 2 years	1,020,000	-	610,000	-
Later than 2 years and not later than 3 years	400,000	610,000	-	610,000
Later than 3 years and not later than 4 years	670,000	-	-	-
Later than 4 years and not later than 5 years	-	1,080,000	-	-
	2,650,000	1,691,278	610,000	610,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

- (i) The secured borrowings of the Group are secured by legal charges as follows:

	2018 RM'000	2017 RM'000 (Restated)
Property, plant and equipment	234,741	362,972
Investment properties	1,341,290	1,855,179
Investment properties under construction	88,610	2,349
Property development costs	1,478,994	1,478,815
	3,143,635	3,699,315

	Number of shares/units		At market value	
	2018 '000	2017 '000	2018 RM'000	2017 RM'000
Shares in Sunway Construction Group Berhad	442,215	301,170	588,146	755,937
Units in Sunway REIT	885,100	958,310	1,531,223	1,820,789

- (j) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Company's statements of cash flows as cash flows from financing activities.

	1.1.2018 RM'000	Cash flows RM'000	Group Non-cash changes Foreign exchange movement RM'000	Hedging RM'000	31.12.2018 RM'000
Term loans	2,999,566	(791,732)	(2,057)	(3,381)	2,202,396
Revolving credits	797,475	494,009	-	-	1,291,484
Commercial papers	1,880,000	446,000	-	-	2,326,000
Medium term notes	1,691,278	958,722	-	-	2,650,000
Other bank borrowings #	276,798	24,271	-	-	301,069
Total borrowings #	7,645,117	1,131,270	(2,057)	(3,381)	8,770,949

	1.1.2017 RM'000	Cash flows RM'000 (Restated)	Non-cash changes Foreign exchange movement RM'000	Hedging RM'000	31.12.2017 RM'000
Term loans	3,811,429	(354,981)	(8,659)	(448,223)	2,999,566
Revolving credits	267,945	529,530	-	-	797,475
Commercial papers	1,953,000	(73,000)	-	-	1,880,000
Medium term notes	1,070,000	621,278	-	-	1,691,278
Other bank borrowings #	237,121	39,677	-	-	276,798
Total borrowings #	7,339,495	762,504	(8,659)	(448,223)	7,645,117

Other bank borrowings and total borrowings exclude bank overdrafts and unamortised transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. BORROWINGS (CONTD.)

- (j) Reconciliation of liabilities arising from financing activities (contd.)

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Company's statements of cash flows as cash flows from financing activities. (contd.)

	Company			
	1.1.2018	Cash flows	Non-cash changes	31.12.2018
	RM'000	RM'000	RM'000	RM'000
Revolving credits	80,000	-	-	80,000
Commercial papers	980,000	186,000	-	1,166,000
Medium term notes	610,000	-	-	610,000
Total borrowings	1,670,000	186,000	-	1,856,000

	1.1.2017	Cash flows	Non-cash changes	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revolving credits	-	80,000	-	80,000
Commercial papers	618,000	362,000	-	980,000
Medium term notes	600,000	10,000	-	610,000
Total borrowings	1,218,000	452,000	-	1,670,000

- (k) The carrying amounts of borrowings of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000
At 31 December 2018				
Medium term notes	2,650,000	2,713,970	610,000	622,404
At 31 December 2017				
Medium term notes	1,691,278	1,729,289	610,000	623,302

The fair value of borrowings obligations is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Fair values of the borrowings are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

37. TRADE PAYABLES

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Third parties	1,298,988	1,465,266
Amounts due to contractors and consultants	37,201	54,848
Total trade payables	1,336,189	1,520,114

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

37. TRADE PAYABLES (CONTD.)

(a) Included in trade payables is the following amount due to a related party:

	Group		Company	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sunway Technology Sdn. Bhd. Group	1,556	5	-	-

The amount due to a related party is unsecured, non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 60 days (2017: 30 days to 60 days). The relationship with the above related party is as disclosed in Note 52 to the financial statements.

(b) The normal trade credit terms granted to the Group range from 1 day to 183 days (2017: 1 day to 180 days).

(c) The maturity profile of the Group's trade payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve months.

(d) Trade payables are classified as financial liabilities measured at amortised cost.

38. OTHER PAYABLES

	Note	Group		Company	
		2018	2017	2018	2017
		RM'000	RM'000	RM'000	RM'000
(Restated)					
Non-current					
Payables	(b)	120,093	253,563	-	-
Refundable deposits		1,583	-	-	-
		121,676	253,563	-	-
Current					
Payables	(a)	517,443	523,094	26,368	147
Amounts due to contractors and consultants		114,401	117,178	-	-
Accruals		579,227	424,727	41,150	26,999
Refundable deposits		52,238	55,216	-	-
Deferred income	(c), 41	5,272	6,674	-	-
		1,268,581	1,126,889	67,518	27,146
Total other payables		1,390,257	1,380,452	67,518	27,146

(a) Included in other payables is the following amount due to a related party:

	Group		Company	
	2018 RM'000	2017 RM'000 (Restated)	2018 RM'000	2017 RM'000
Sunway Technology Sdn. Bhd. Group	754	203	-	-

The amount due to a related party is unsecured, non-interest bearing and payable based on credit terms granted to the Group. The relationship with the above related party is as disclosed in Note 52 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

38. OTHER PAYABLES (CONTD.)

- (b) Included in payables is an amount of RM148,285,000 (2017: RM170,862,000) due to Fawanis Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the progress billing of the launched project developments.
- (c) Deferred income of the Group represents deferred timeshare membership fees and rental received in advance.
- (d) The maturity profile of the Group's other payables (excluding deferred income) at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
As at 31 December 2018				
Other payables	1,263,309	121,676	-	1,384,985
As at 31 December 2017				
Other payables	1,120,215	253,563	-	1,373,778
Company				
As at 31 December 2018				
Other payables	67,518	-	-	67,518
As at 31 December 2017				
Other payables	27,146	-	-	27,146

- (e) Other payables are classified as financial liabilities measured at amortised cost.

39. ADVANCES BY NON-CONTROLLING INTERESTS OF SUBSIDIARIES

Included in advances by non-controlling interests of subsidiaries in the previous financial years was contribution of RM146,702,000 by non-controlling interests of a subsidiary, Sunway South Quay Sdn. Bhd. ("SSQSB") pursuant to a Musyarakah Shareholders' Agreement entered into with its shareholders.

Under the Musyarakah Shareholders' Agreement, Musyarakah Profit equivalent to shareholders profit yield of not less than 5.50% per annum should be paid from the Distributable Profits of SSQSB to the extent practicable.

The advances by non-controlling interests of subsidiaries should be paid off in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

40. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

	Group	
	2018	2017
	RM'000	RM'000
Future minimum lease payments:		
Not later than 1 year	437	619
Later than 1 year and not later than 2 years	179	201
Later than 2 years and not later than 3 years	139	47
Later than 3 years and not later than 4 years	139	-
Later than 4 years and not later than 5 years	61	-
Total future minimum lease payments	955	867
Less: Future finance charges	(70)	(81)
Present value of finance lease liabilities	885	786

Analysis of present value of finance lease liabilities:

Not later than 1 year	357	552
Later than 1 year and not later than 2 years	160	187
Later than 2 years and not later than 3 years	126	47
Later than 3 years and not later than 4 years	133	-
Later than 4 years and not later than 5 years	109	-
	885	786
Less: Amount due within 12 months	(357)	(552)
Amount due after 12 months	528	234

- (a) The hire purchase and finance lease liabilities of the Group attract interest at rates ranging from 2.30% to 3.30% (2017: 2.53% to 3.00%) per annum.
- (b) Hire purchase and finance lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (c) The carrying amounts of hire purchase and finance lease liabilities of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group	
	Carrying amount	Fair value
	RM'000	RM'000

At 31 December 2018

Finance lease and hire purchase obligations (non-current)	528	491
---	-----	-----

At 31 December 2017

Finance lease and hire purchase obligations (non-current)	234	229
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The fair value of finance lease and hire purchase obligations is categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Fair values of the hire purchase and finance lease liabilities are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

40. HIRE PURCHASE AND FINANCE LEASE LIABILITIES (CONTD.)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows from financing activities.

	Group			31.12.18 RM'000
	1.1.2018 RM'000	Cash flows RM'000	Non-cash changes RM'000	
Hire purchase and finance lease liabilities	786	(674)	773	885

	Group			31.12.17 RM'000
	1.1.2017 RM'000	Cash flows RM'000	Non-cash changes RM'000	
Hire purchase and finance lease liabilities	2,752	(1,966)	-	786

41. LONG TERM LIABILITIES

	Group	
	2018 RM'000	2017 RM'000 (Restated)
Deferred income at end of financial year	8,231	11,124
To be recognised within 1 year (Note 38)	(5,272)	(6,674)
To be recognised after 1 year	2,959	4,450

Deferred income of the Group represents deferred timeshare membership fees, which are to be recognised over the membership period, and rental received in advance.

42. SHARE CAPITAL

	Note	Group/Company			
		Number of ordinary shares		Amount	
		2018 '000	2017 '000	2018 RM'000	2017 RM'000
Ordinary shares					
Issued and fully paid					
At beginning of financial year		4,918,491	2,063,067	5,370,606	2,063,067
Issued during the financial year:					
- pursuant to exercise of warrants	(a), (b)	^ -	1	^ -	2
- pursuant to ESOS	(a), (c)	5,911	55,537	8,831	188,352
- bonus issue of shares		-	2,799,886	-	2,799,886
Transition to no-par value regime *		-	-	-	319,299
At end of financial year		4,924,402	4,918,491	5,379,437	5,370,606

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

- * Transfers from share premium account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act 2016.
- ^ Represents 202 warrants amounting to RM376.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial year, the Company increased its issued and paid-up ordinary share capital from RM5,370,606,000 to RM5,379,437,000 by way of issuance of:
- (i) 3,295,561 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.07 per ordinary share for cash;
 - (ii) 1,140,836 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.23 per ordinary share for cash;
 - (iii) 1,050,601 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.40 per ordinary share for cash;
 - (iv) 423,856 ordinary shares pursuant to the exercise of Employees' Share Option Scheme at an exercise price of RM1.26 per ordinary share for cash; and
 - (v) 202 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.86 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

During the financial year, the Company repurchased 49,928,300 of its issued ordinary shares from the open market at prices ranging from RM1.40 to RM1.68 per share. The total consideration paid for the repurchases was RM76,482,377 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

As at 31 December 2018, the Company held a total of 72,209,562 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,924,402,189 ordinary shares. Such treasury shares are recorded at a carrying amount of RM140,298,650.

- (b) On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll in the event of any alteration to the share capital of the Company.

During the financial year, 202 new ordinary shares of RM1.86 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

(b) (contd.)

The number of Warrants 2017/2024 unexercised at the end of the reporting period comprises 629,969,158 warrants. The Warrants 2017/2024 will expire on 3 October 2024.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017.

(c) The Company's ESOS ("the Scheme") came into effect on 3 September 2013 and is governed by the by-laws approved by the shareholders on 27 June 2013. The Scheme is for eligible employees (including Executive Directors) of the Company and its subsidiaries.

The main features of the Scheme are:

- (i) The total number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at the time of the offer of options under the Scheme;
- (ii) Only eligible Executive Directors and employees of the Company and of the Group will be eligible to participate in the Scheme;
- (iii) The price payable upon exercise of an option granted under the Scheme shall be the higher of:
 - the 5-day volume weighted average market price of the underlying shares as at the date of the offer, and at the discretion of the committee appointed by the Board to administer the Scheme ("Committee"), with either a:
 - > premium; or
 - > discount of not more than 10% (or such lower or higher limit in accordance with any prevailing guidelines, rules or regulations issued by Bursa Malaysia Securities Berhad or any other relevant authorities); or
 - the par value of the Company's shares;
- (iv) The duration of the Scheme is 6 years from the date of its commencement;
- (v) The number of options to be offered to an eligible employee in accordance with the Scheme shall be determined based on, inter alia, the eligible employee's position within the Group, fulfilment of the eligibility criteria, work performance and/or such other factors as the Committee deems fit and the offer shall be valid for acceptance by an employee for a period of 30 days from the date of offer; and
- (vi) The eligible employees shall be entitled to exercise such number of the vested options within the option period and they shall have no right to exercise all or any of the options that have been granted but not vested to them.

Options exercisable in a particular year but not exercised shall be carried forward to subsequent years within the option period provided that no options shall be exercised beyond the date of expiry of the Scheme.

In previous financial year on 4 October 2017, the exercise price of an option granted under the Scheme had been adjusted again following the bonus issue of new ordinary shares in Sunway Berhad ("Bonus Shares") pursuant to the bonus issue exercise undertaken by the Company on the basis of 4 bonus shares for every 3 existing ordinary shares held by the shareholders of Sunway Berhad.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

(c) (contd.)

The details of the adjusted exercise prices were shown in the table below:

Grant No.	Grant date	Original exercise price (RM)	First adjusted exercise price (RM)	Second adjusted exercise price (RM)	Third adjusted exercise price (RM)
First	3.9.2013	2.76	2.68	2.48	1.07
Second	1.8.2014	3.19	3.10	2.87	1.23
Third	3.8.2015	3.52	-	3.25	1.40
Fourth	3.8.2016	2.94	-	-	1.26

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

(c) (contd.)

Details of share options granted, vested and exercised under the Scheme are as follows:

Options granted

Grant number	Grant date	Number of share options '000	Balance as at 1.1.2018 '000	Movements during the year			Exercise price RM/Option	Exercise period
				Exercised '000	Lapsed/Expired '000	Balance as at 31.12.2018 '000		
First	3.9.2013	133,564	10,593	(3,295)	(1,319)	5,979	1.07	3.10.2013 - 1.9.2019
Second	1.8.2014	15,735	4,261	(1,141)	(856)	2,264	1.23	2.9.2014 - 1.9.2019
Third	3.8.2015	10,840	6,316	(1,050)	(1,944)	3,322	1.40	2.9.2015 - 1.9.2019
Fourth	3.8.2016	6,159	3,810	(424)	(226)	3,160	1.26	2.9.2016 - 1.9.2019

Options vested

(i) First grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2018 '000	Movements during the year			Exercise price RM/Option	Exercise period
			Exercised '000	Lapsed/Expired '000	Exercisable as at 31.12.2018 '000		
2.9.2015	26,744	3,951	(2,745)	(1,206)	-	1.07	2.9.2015 - 1.9.2018
2.9.2016	22,471	6,642	(550)	(113)	5,979	1.07	2.9.2016 - 1.9.2019
	49,215	10,593	(3,295)	(1,319)	5,979		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

(c) (contd.)

Details of share options granted, vested and exercised under the Scheme are as follows: (contd.)

Options vested (contd.)

(ii) Second grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2018 '000	Movements during the year			Exercise price RM/Option	Exercise period
			Exercised '000	Lapsed/Expired '000	Exercisable as at 31.12.2018 '000		
2.9.2015	3,894	1,593	(825)	(768)	-	1.23	2.9.2015 - 1.9.2018
2.9.2016	3,268	2,668	(316)	(88)	2,264	1.23	2.9.2016 - 1.9.2019
	7,162	4,261	(1,141)	(856)	2,264		

(iii) Third grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2018 '000	Movements during the year			Exercise price RM/Option	Exercise period
			Exercised '000	Lapsed/Expired '000	Exercisable as at 31.12.2018 '000		
2.9.2015	4,792	2,793	(971)	(1,822)	-	1.40	2.9.2015 - 1.9.2018
2.9.2016	3,642	3,523	(79)	(122)	3,322	1.40	2.9.2016 - 1.9.2019
	8,434	6,316	(1,050)	(1,944)	3,322		

(iv) Fourth grant of options over ordinary shares

Vesting Date	Vested '000	Exercisable as at 1.1.2018 '000	Exercised '000	Lapsed/Expired '000	Exercisable as at 31.12.2018 '000	Exercise price RM/Option	Exercise period
2.9.2016	4,936	3,810	(424)	(226)	3,160	1.26	2.9.2016 - 1.9.2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

42. SHARE CAPITAL (CONTD.)

(c) (contd.)

Share options exercised during the financial year resulted in the issuance of:

- (i) 3,295,561 ordinary shares at an option price of RM1.07 each.
- (ii) 1,140,836 ordinary shares at an option price of RM1.23 each.
- (iii) 1,050,601 ordinary shares at an option price of RM1.40 each.
- (iv) 423,856 ordinary shares at an option price of RM1.26 each.

The fair values of share options measured using the Black Scholes Merton model at the date of the third adjustment to the exercise prices and the assumptions used are as follows:

Group/Company	First Grant Tranche 4	Second Grant Tranche 3	Third Grant Tranche 2	Fourth Grant Tranche 1
Exercise price of option offered (RM)	1.07	1.23	1.40	1.26
Weighted average share price (RM)	1.07	1.23	1.40	1.26
Expected life (years)	3	3	3	3
Expected volatility (%)	17.13	17.13	17.13	17.13
Expected dividend yield (%)	2.83	2.83	2.83	2.83
Risk free interest rate (%)	3.91	3.91	3.91	3.91

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value.

43. EQUITY CONTRIBUTION FROM A JOINT VENTURE

The equity contribution represents the Group's share of right to use the land granted by the joint venture of the Group, namely Sunway Velocity Mall Sdn. Bhd. ("SVMSB"), for a project development pursuant to an agreement entered into between the shareholders of SVMSB. Accordingly, this right has been classified and presented as equity.

44. MERGER RESERVE

The negative merger reserve arose as a result of the excess of the consideration paid over the share capital and capital reserves of both SunCity and SHSB as at the acquisition date. Further details on the merger exercise are disclosed in Note 47 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

45. RESERVES

	Note	Group 2018 RM'000	2017 RM'000 (Restated)	Company 2018 RM'000	2017 RM'000
Non-distributable reserves:					
Capital reserve	(a)	134,508	134,522	-	-
Statutory reserve	(b)	1,179	826	-	-
Revaluation reserve	(c)	3,871	3,871	-	-
Share option reserve	(d)	7,632	10,596	4,462	7,426
Cash flow hedge reserve	(e)	(17,681)	(17,854)	-	-
Furniture, fittings and equipment reserve	(f)	16,233	12,536	-	-
Foreign currency translation reserve	(g)	130,421	200,176	-	-
Fair value reserve	(h)	(8,906)	-	-	-
Total non-distributable reserves		267,257	344,673	4,462	7,426
Distributable reserve:					
Retained earnings		3,708,354	3,379,642	852,273	53,032
		3,975,611	3,724,315	856,735	60,458

The movements in each category of reserves are disclosed in the statements of changes in equity.

The natures of each category of reserves are as follows:

(a) Capital reserve

Capital reserve represents the Group's accretion in the value of investments in subsidiaries arising from internal restructuring, which includes the redemption of cumulative redeemable preference shares.

(b) Statutory reserve

Statutory reserve represents the 10% of accumulated gains recognised in the People's Republic of China subsidiaries' income statement, which is not distributable.

According to the Articles of Association of the subsidiaries, when distributing net profit of each financial year, the subsidiaries shall set aside 10% of its after tax profits for the statutory common reserve fund (except where the fund has reached 50% of the subsidiaries' registered capital) and 5% to 10% of after tax profits for the statutory common welfare fund. These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

(c) Revaluation reserve

Revaluation reserve represents increase in the fair value of land.

(d) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

45. RESERVES (CONTD.)

The natures of each category of reserves are as follows: (contd.)

(e) Cash flow hedge reserve

Cash flow hedge reserve represents the net gains or losses, net of tax, on effective cash flow hedging instruments that will be recycled to the profit or loss when the hedged transaction affects profit or loss.

(f) Furniture, fittings and equipment reserve

In accordance with the Hotel Master Lease Agreement, the Group must set aside in the furniture, fittings and equipment ("FF&E") reserve during each financial year, an amount equivalent to 2.5% of the anticipated revenue. The FF&E reserve must be used and disbursed only in accordance with the agreed FF&E Plan.

(g) Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(h) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

46. PERPETUAL SUKUK

During the financial year, the Company made its first issuance of RM400,000,000 Sukuk Wakalah pursuant to the RM5.0 billion unrated perpetual sukuk programme ("Perpetual Sukuk").

The sums raised from the Perpetual Sukuk, which are moneys borrowed from the subscribers are used as loans given to the subsidiaries in the course of the Company's business for the purpose of producing of gross income.

This Perpetual Sukuk is a financial instrument which has the following features:

- (a) A perpetual non-call 5 years at a profit rate of 5.50% per annum, payable semi-annually and are redeemable at the option of the Company subject to the terms of the Perpetual Sukuk;
- (b) Direct, unsecured and subordinated obligations of the Company and shall rank *pari passu* without any preference amongst themselves and the Perpetual Sukuk will be issued with a perpetual tenure that does not have a fixed maturity date; and
- (c) The Perpetual Sukuk is unrated and issued under the Shariah principle of Wakalah Bi Al-Istithmar and shall be transferable and tradable.

Solely to be in compliance with Paragraph 16 of MFRS 132 *Financial instruments: Presentation*, the Perpetual Sukuk is classified as equity. The classification of the Perpetual Sukuk as equity is for accounting purposes and this does not alter its substance, nature and characteristic as a borrowing. Hence, the distribution paid under the Perpetual Sukuk is for all intent and purposes akin to interest and would be treated as such for the purposes of income tax pursuant to Section 2(7) of the Income Tax Act 1967, despite the fact that it is recognised in equity in the period in which they are paid in this financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

47. MERGER EXERCISE

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of SHSB and SunwayCity (collectively known as the "Merged Entities").

The consideration for the acquisition of the Merged Entities was satisfied via the payment of RM904.7 million cash and the issuance of 1,292.5 million new ordinary shares of RM1.00 each at an issue price of RM2.80 each together with 258.5 million free warrants.

The issuance of the new ordinary shares by the Company during the previous financial years to effect the above transaction has been reflected in the share capital of the Company as shown in Note 42 to the financial statements. As the Merged Entities were under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities were under common control.

48. OPERATING LEASE AGREEMENTS

(a) The Group as lessee

The Group has entered into a non-cancellable operating lease agreement with an associate, Sunway REIT. The lease with Sunway REIT is for the use of leasehold land and buildings.

The future minimum lease payments payable under the above non-cancellable operating leases and other non-cancellable operating leases of the Group contracted for as at the end of the reporting period but not recognised as payables, are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Not later than 1 year	102,821	92,007
Later than 1 year and not later than 5 years	202,713	228,656
Later than 5 years	62,494	40,759
	368,028	361,422

(b) The Group as lessors

The future minimum lease payments receivable under the above non-cancellable operating leases as at the end of the reporting period but not recognised as receivables, are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Not later than 1 year	78,786	80,060
Later than 1 year and not later than 5 years	299,749	317,675
Later than 5 years	811,932	801,957
	1,190,467	1,199,692

The Group has entered into various non-cancellable operating lease agreements on properties with third parties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

48. OPERATING LEASE AGREEMENTS (CONTD.)**(b) The Group as lessors (contd.)**

The Group assessed the following:

- (i) The land titles do not pass to the lessee; and
- (ii) The rentals paid to the Group for the commercial properties are increased to the market rent at regular intervals, and the lessee does not participate in the residual value of the building.

Management also judged that the Group retains all the significant risks and rewards of ownership of these properties, thus accounted for the contracts as operating leases.

49. CAPITAL COMMITMENTS

	Group	
	2018	2017
	RM'000	RM'000
		(Restated)
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	73,288	426,366
Approved but not contracted for property, plant and equipment and investment properties	503,547	277,619
	576,835	703,985

The Group's share of capital commitments in associates are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	128,067	9,568
Approved but not contracted for property, plant and equipment and investment properties	90,386	23,158
	218,453	32,726

The Group's share of capital commitments in joint ventures are as follows:

	Group	
	2018	2017
	RM'000	RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	95	801
Approved but not contracted for property, plant and equipment and investment properties	6,836	12,417
	6,931	13,218

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

50. CONTINGENT LIABILITIES

(a) Guarantees

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
	(Restated)			
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	797,281	792,734	112,116	109,548

The Group designates guarantees given to third parties in respect of trade and contracts and to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of the reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote.

(b) Material outstanding litigations

- (i) On 4 September 2008, the solicitors of Sunway Construction Sdn. Bhd. ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("Bank Guarantees") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed the late Mr H.L. Agarwal as the sole arbitrator. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs.891.5 million in addition to interest and cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

50. CONTINGENT LIABILITIES (CONTD.)

(b) Material outstanding litigations (contd.)

(i) (contd.)

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defense and Counterclaim. In the counterclaim, SunCon is seeking for Rs.781.4 million in addition to interest and cost for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator in place of the late Justice H.L Agrawal (Retd.) for adjudication of the disputes and differences between the Parties. The first hearing before Mr. Justice Vikramajit Sen was held on 24 February 2017.

The proceedings had advanced for final arguments on 6 March 2018 to 9 March 2018. Further final and rejoinder argument was heard on 12, 13 and 14 April 2018. Arguments stand concluded. Matters are reserved for passing of the Award.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

51. SIGNIFICANT RELATED COMPANIES TRANSACTIONS

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related companies during the financial year:

	Company	
	2018	2017
	RM'000	RM'000
IT and related expenses payable to a subsidiary	(1,124)	(1,343)
Secretarial fees and share registration fees payable to a subsidiary	(331)	(376)
Accounting services fees payable to a subsidiary	(811)	(766)
Hotel and related expenses payable to a subsidiary	(788)	(418)
Parking and related services payable to subsidiaries	(12)	(58)
Air ticket and related services payable to a subsidiary	(150)	(233)
Medical services expenses payable to a subsidiary	(47)	(44)
Subscription and related expenses payable to a subsidiary	(27)	(27)
Human resources and other related services	(247)	(179)
Training, Learning and Development expenses payable to a subsidiary	(94)	(66)
Provision of parking tickets	(69)	(105)
Maintenance repairs and related expenses payable to a subsidiary	(204)	(120)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

52. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

Name of companies	Nature of transactions	Group	
		2018 RM'000	2017 RM'000
(a) Sunway Technology Sdn. Bhd. Group ("STSB Group")	Information systems products and consultancy fees	(20,343)	(10,432)
	Sales of financial and IT related services	822	968
	Rental of office equipment, motor vehicles and other related services	1,592	1,547
	Secretarial and management services	11	6
	Provision of ticketing and tour related services	76	210
	Insurance products	60	66
	Rendering of recreational club facilities, theme park, timesharing services and related services	11	2
	Provision of medical services	32	33
	Provision of hotel and related services	12	53
	Interior decorations and related services, and renovation works	2	1
	Lease of Sunway Resort Hotel & Spa	(45,583)	(51,759)
	Lease of Sunway Hotel Seberang Jaya	(3,101)	(3,932)
	Lease of Sunway Putra Hotel	(11,348)	(14,571)
	Lease of Sunway Hotel Georgetown	(5,531)	(5,488)
(b) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)	Lease of Sunway Plaza's ice rink	(1,542)	(1,519)
	Leasing/rental of properties in respect of: Sunway Medical Center building	(23,045)	(23,103)
	Menara Sunway and accommodation for security staff	(12,148)	(10,482)
	Rental and management of car parks and related services	(26,231)	(29,197)
	Rental of office space premises and related services	894	736
	Provision of property management & related services	1,742	1,034
	Provision of hotel and related services	1,319	615
	Management and related services	1,579	1,013
	Provision of ticketing and tour related services	342	288

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year: (contd.)

Name of companies	Nature of transactions	Group	
		2018 RM'000	2017 RM'000
(b) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd) (contd.)	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	52,071	25,485
	Provision of loyalty card points	988	1,761
	Management services	9,389	8,637
(c) Jef-San Enterprise Sdn. Bhd.	Provision of medical services	56	38
	Provision of property management services	8	84
(d) Sunway Iskandar Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	62,038	145,617
(e) Sunway Velocity Two Sdn. Bhd.	Provision of property management services	19,535	1,108

- (ii) The above parties are deemed related to the Group as follows:

- (a) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Evan Cheah Yean Shin are Directors of Sunway Technology Sdn. Bhd. ("STSB"). Evan Cheah Yean Shin is also a Director in several subsidiaries of STSB. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling is a major shareholder of STSB Group. Evan Cheah Yean Shin, Sarena Cheah Yean Tih and Adrian Cheah Yean Sun have deemed interests in STSB Group via a corporation where they have more than 20% equity interest and by virtue of their parent's interest in STSB. Evan Cheah Yean Shin, Sarena Cheah Yean Tih and Adrian Cheah Yean Sun are the children of Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling.

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of the Company as well as Directors in several subsidiaries of the Company. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

- (b) The wholly-owned subsidiary of the Company, Sunway REIT Holdings Sdn. Bhd., is a major unit holders of Sunway REIT. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih, Evan Cheah Yean Shin, Adrian Cheah Yean Sun, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd., being major shareholders of the Company, also have deemed interests in Sunway REIT via Sunway REIT Holdings Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

52. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

(ii) The above parties are deemed related to the Group as follows: (contd.)

(c) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Jef-San Enterprise Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder of Jef-San Enterprise Sdn. Bhd..

Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of the Company as well as Directors in several subsidiaries of the Company. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

(d) Sunway Iskandar Sdn. Bhd. and Sunway Velocity Two Sdn. Bhd. are joint ventures of Sunway City Sdn. Bhd., a wholly-owned subsidiary of the Company.

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2018 and 2017 are disclosed in Notes 24, 25, 37 and 38 to the financial statements.

(iii) Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and the Company.

The remuneration of the Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	57,849	54,801	19,505	16,600
Post-employment benefits:				
- Defined contribution plan	10,019	9,495	3,661	3,111
	67,868	64,296	23,166	19,711

(iv) Included in the total key management personnel are:

	Group		Company	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Executive Directors'				
remuneration (Note 11)	44,232	41,388	16,021	14,853

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(a) Subsidiaries of Sunway Berhad						
Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100	100	-	-
Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Treasury Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
Sunway Lagoon Club Berhad	Malaysia	Recreational club facilities	84.08	84.08	15.92	15.92
Sunway REIT Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Real Estate (China) Ltd. # (60% held by Sunway City Sdn. Bhd. and 40% held by SunwayMas Sdn. Bhd.)	Hong Kong	Investment holding	100	100	-	-
Sunway Medical Centre Sdn. Bhd.	Malaysia	Operator of a medical centre	99.16	99.16	0.84	0.84
Suncity Suncon Joint Venture (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Dormant	100	100	-	-
(b) Subsidiary of Sunway Treasury Sdn. Bhd.						
Sunway Treasury Sukuk Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
(c) Subsidiaries of Sunway Medical Centre Sdn. Bhd.						
SunMed@Home Sdn. Bhd.	Malaysia	Provision of home nursing services and operation of a retail pharmacy	99.16	99.16	0.84	0.84

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(c) Subsidiaries of Sunway Medical Centre Sdn. Bhd. (contd.)						
SunMed Clinics Sdn. Bhd.	Malaysia	Provision of medical consultation services and facility services	99.16	99.16	0.84	0.84
Sunway Medical Centre (Singapore) Pte. Ltd.	Singapore	Dormant	99.16	-	0.84	-
Paradigm Fairview Sdn. Bhd.	Malaysia	Dormant	99.16	-	0.84	-
Sunway Specialist Centre Sdn. Bhd.	Malaysia	Dormant	99.16	-	0.84	-
(d) Subsidiaries of Sunway Real Estate (China) Ltd.						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. #	China	Property development	100	100	-	-
Zhuhai Sunway Consultancy Co., Ltd #	China	Dormant	100	100	-	-
(e) Subsidiaries of Sunway Holdings Sdn. Bhd.						
Sunway Construction Group Berhad	Malaysia	Investment holding	54.44	54.44	45.56	45.56
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Transit System Sdn. Bhd.	Malaysia	Car park management and rental of advertising space	100	100	-	-
Sunway Serene Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Developments Pte. Ltd.	Singapore	Other investment holding companies and general contractors (building construction including major upgrading works)	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
SunwayMas Sdn. Bhd.	Malaysia	Property and housing development, and investment holding	100	100	-	-
Sunway VCP Sdn. Bhd.	Malaysia	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products	100	100	-	-
Sunway Marketing Sdn. Bhd.	Malaysia	Marketing, distribution and sale of construction related products and industrial products	100	100	-	-
Sunway Marketing (S) Pte. Ltd.	Singapore	Trading in hose and fittings and hose assembly	100	100	-	-
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100	-	-
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-
Pasir Mas Holdings Sdn. Bhd.	Malaysia	Trading in petroleum products and provision of related services	100	100	-	-
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Holdings (Vietnam) Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Reptolink Sdn. Bhd. # (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Investment holding	-	100	-	-
Shahawan (M) Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Galaxy Avenue Sdn. Bhd. # (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-
Sunway HR Shared Services Sdn. Bhd.	Malaysia	Provision of human resources services	100	100	-	-
Sunway Shared Services Sdn. Bhd.	Malaysia	Provision of information technology services and human resources services	100	100	-	-
Sunway Ventures Sdn. Bhd. #	Malaysia	Provision of management and advisory services	100	100	-	-
Sunway Quantum Sdn. Bhd. (formerly known as Sunway Ordera Sdn. Bhd.)	Malaysia	Provision of information technology services	100	100	-	-
Sunway Juarasama Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018	2017	2018	2017
			%	%	%	%
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Spun Pile (M) Sdn. Bhd.	Malaysia	To carry on business of manufacturing and marketing of pretensioned high strength concrete plus, pretensioned concrete poles and other precast concrete products	100	100	-	-
Sunway Leadership Centre Sdn. Bhd.	Malaysia	Providing training services, training venue and other related activities to the Group	100	100	-	-
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 machineries	100	100	-	-
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix and other construction related products	100	100	-	-
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	100	-	-
Sunway Credit Sdn. Bhd.	Malaysia	Provision of finance through hire purchase and factoring services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Fortuna Gembira Enterpris Sdn. Bhd. #	Malaysia	Investment holding	100	100	-	-
Twinnors (Malaysia) Sdn. Bhd. #	Malaysia	Quarry concession holder	60	60	40	40
Sun SEA Capital Sdn. Bhd.	Malaysia	Provision of fund management	100	100	-	-
Sunway Cavity Wall Panel (S) Pte. Ltd. ^ (in the midst of striking off)	Singapore	Dormant	100	100	-	-
Sunway Quarry Industries (Melaka) Sdn. Bhd. #	Malaysia	Granite quarrying	100	100	-	-
Sunway Captive Insurance Ltd. #	Malaysia	To carry on business as a captive insurer	100	100	-	-
Sunway Quarry Industries (Caribbean) Limited #	Trinidad and Tobago	Dormant	100	100	-	-
Myanmar Sungei Way Holdings Limited ^ (In Liquidation)	Myanmar	Dormant	99.90	99.90	0.10	0.10
PT Sunway Quarry Indonesia ^ (In Liquidation)	Indonesia	Dormant	95	95	5	5
Sunway Global Limited	Hong Kong	Investment holding and provision of management services	98.99	98.75	1.01	1.25
Sunway Winstar Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	75.44	80	24.56	20
Sunway PopBox Sdn. Bhd.	Malaysia	To carry out the business of electronic parcel locker operator and service provider	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS

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53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(e) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sun Sea Capital Management Ltd.	Cayman Islands	Dormant	100	-	-	-
Sunway Brands Sdn. Bhd.	Malaysia	To apply for, purchase, acquire, sell, manage or license intellectual property and intellectual property rights	100	-	-	-
Sunway Pharma Sdn. Bhd. #	Malaysia	Retail, trading, marketing, manufacturing and online selling of pharmaceutical products	100	100	-	-
Sunway Money Sdn. Bhd.	Malaysia	Provision of online remittance and money services	100	100	-	-
Bidara Cahaya Resources Sdn. Bhd.	Malaysia	Investment in properties	100	100	-	-
Monumental Productions Sdn. Bhd.	Malaysia	Investment in media, digital studio, online video and premium advertising consultancy services	61.54	80	38.46	20
Sunway Paving Solutions (Sabah) Sdn. Bhd. (formerly known as Telipok Concrete Sdn. Bhd.)	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks, cement bricks and eurotiles	100	-	-	-
Sun Sea Ltd.	Cayman Islands	General partner for a venture capital fund	100	-	-	-
(f) Subsidiary of Sunway Developments Pte. Ltd.						
Sunway Land Pte. Ltd.	Singapore	Real estate developers and building contractor	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(g) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-
(h) Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering, building works and transportation agent	54.44	54.44	45.56	45.56
(i) Subsidiaries of Sunway Construction Sdn. Bhd.						
Sunway Innopave Sdn. Bhd.	Malaysia	Construction of civil and building works and provision of project management	54.44	54.44	45.56	45.56
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment and undertaking sub-contract work	54.44	54.44	45.56	45.56
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical and engineering works	54.44	54.44	45.56	45.56
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	54.44	54.44	45.56	45.56
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	54.44	54.44	45.56	45.56
Sunspan Sdn. Bhd. #	Malaysia	Dormant	54.44	54.44	45.56	45.56
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	54.44	54.44	45.56	45.56

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(i) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Machineries Services Sdn. Bhd.	Malaysia	Investment holding	54.44	54.44	45.56	45.56
Sunway Construction India Pte. Ltd. #	India	Construction of civil and building works	54.44	54.44	45.56	45.56
Sunway Creative Stones Sdn. Bhd.	Malaysia	Trading of construction materials and general contract work	38.11	38.11	61.89	61.89
Sunway GD Piling Sdn. Bhd. (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	54.44	-	45.56
Sunway Construction Caribbean Limited #	Trinidad and Tobago	Dormant	54.44	54.44	45.56	45.56
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing precast concrete building components and undertaking of precast concrete building contracts	54.44	54.44	45.56	45.56
Sunway Facade Network Sdn. Bhd.	Malaysia	Facade design, engineering, construction and consultancy services	32.66	32.66	67.34	67.34
Sunway Visioneering Sdn. Bhd.	Malaysia	Dormant	54.44	54.44	45.56	45.56
Sunway Concrete Products (M) Sdn. Bhd.	Malaysia	Manufacture of prefabricated structural and metal components for buildings or civil engineering of cement, concrete or artificial stones	54.44	54.44	45.56	45.56
Sunway Innopave (S) Pte. Ltd. #	Singapore	Investment holding	54.44	54.44	45.56	45.56

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(i) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	54.44	-	45.56	-
(j) Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd.	Singapore	Manufacturing and sale of precast concrete building components	54.44	54.44	45.56	45.56
(k) Subsidiary of Sunway Innopave (S) Pte. Ltd.						
Sunway Builders (Myanmar) Company Limited	Myanmar	Project management in construction services	54.44	-	45.56	-
(l) Subsidiary of Sunway Machineries Services Sdn. Bhd.						
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	-	54.44	-	45.56
(m) Subsidiaries of SunwayMas Sdn. Bhd.						
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Mujurmas Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Kanching Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Eaglefield Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(m) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
Virgo Rhythm Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70	30	30
Daksina Harta Sdn. Bhd. (Divested and became a joint venture)	Malaysia	Property development and property investment	-	100	-	-
(n) Subsidiary of Sunway Quarry Industries Sdn. Bhd.						
Sunway Quarry Industries (Taiping) Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
(o) Subsidiaries of Sunway Marketing Sdn. Bhd.						
Sunway Marketing (East Malaysia) Sdn. Bhd.	Malaysia	Trading in hoses and fittings and industrial products	85	85	15	15
Sunway Hose Centre Sdn. Bhd.	Malaysia	Trading in hoses and fittings and hose assembly	85	85	15	15
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85	15	15
Sunway Opus International Trading Private Limited #	India	Dormant	60	60	40	40
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares	100	100	-	-
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(p) Subsidiaries of Sunway Marketing (S) Pte. Ltd.						
Sunway Marketing (Shanghai) Pte. Ltd. #	China	Dormant	100	100	-	-
PT Sunway Trek Masindo #	Indonesia	Trading in hoses and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway Marketing (Thailand) Ltd. #	Thailand	Trading in hoses and fittings, hose assembly and heavy equipment parts	100	100	-	-
Sunway TotalRubber Ltd. #	Australia	Import and distribution of industrial rubber and plastics	100	100	-	-
Sunway Marketing (Vietnam) Co. Ltd.	Vietnam	Trading in hoses and fittings and service and assembly of hoses and hose fittings	100	-	-	-
PT Sunway Flowtech #	Indonesia	Trading in hoses and fittings, and hose assembly	100	100	-	-
PT Sunway Pacific Flow #	Indonesia	Manufacturing of specialty hoses	100	100	-	-
(q) Subsidiary of Sunway Holdings (Vietnam) Sdn. Bhd.						
Realty Investments (HB) Inc. #	Panama	Investment holding	100	100	-	-
(r) Subsidiary of Realty Investments (HB) Inc.						
Hang Bai Office Complex JVC	Vietnam	Dormant	74	74	26	26

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018	2017	2018	2017
			%	%	%	%
(s) Subsidiary of Sunway Serene Sdn. Bhd.						
Cleaver Fortune Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
(t) Subsidiaries of Sunway Global Limited						
Sunway Spun Pile (Zhuhai) Co. Ltd.	China	Design, manufacture and sale of pretensioned spun concrete piles	94.73	79	5.27	21
Sunway Hydraulic Industries (Wuhu) Co. Ltd.	China	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading	98.99	98.75	1.01	1.25
Sunway Trading (Shanghai) Pte. Ltd.	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	98.99	98.75	1.01	1.25
Sunway Daechang Forging (Anhui) Co. Ltd.	China	Manufacturing and repair and maintenance	59.39	59.25	40.61	40.75
(u) Subsidiaries of Sunway Enterprise (1988) Sdn. Bhd.						
Heng Ngai Knitting Manufacturer Sdn. Bhd. ^ (In Liquidation)	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(v) Subsidiaries of Sunway TotalRubber Ltd.						
Sunway TotalRubber Services Franchising Pty. Ltd. #	Australia	Franchisor for TotalRubber franchising business	100	100	-	-
Pacific Flow Technology Pty. Ltd. #	Australia	Manufacturing and sales of rubber hose products	-	80	-	20
(w) Subsidiaries of Sunway City Sdn. Bhd.						
Sunway Integrated Properties Sdn. Bhd.	Malaysia	Property development and property investment	100	100	-	-
Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Biz Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development, provision of property management services and investment holding	100	100	-	-
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70	30	30
Sunway Pyramid Sdn. Bhd. # (In member's voluntary winding up)	Malaysia	Dormant	100	100	-	-
Sunway City Properties Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	100	100	-	-
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour businesses	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(w) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Hospitality Holdings Ltd. #	British Virgin Islands	Investment holding	100	100	-	-
Emerald Tycoon Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100	-	-
SunMed Velocity Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway FSSC Sdn. Bhd.	Malaysia	Provision of financial and accounting services	100	100	-	-
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76	24	24
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	95.96	95.96	4.04	4.04
Sunway PKNS Sdn. Bhd.	Malaysia	Property development and investment holding	60	60	40	40
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator and car park management	100	100	-	-
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Area Star Sdn. Bhd. #	Malaysia	Property investment and property dealing	100	100	-	-
Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services and investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(w) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Management Services Sdn. Bhd # (formerly known as Allson International Hotels & Resorts Sdn. Bhd.)	Malaysia	Provision of share registration and secretarial services	100	100	-	-
Sunway Destiny Sdn. Bhd.	Malaysia	Management and letting out of properties	100	100	-	-
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management and provision of management services	100	100	-	-
Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management	100	100	-	-
Sunway City (JB) Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway PFM Sdn. Bhd.	Malaysia	Property and facility management	100	100	-	-
Sunway Crest Sdn. Bhd. ^ (in member's voluntary winding-up)	Malaysia	Dormant	100	100	-	-
Sunway International Vacation Club Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway MUSC Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Iskandar Medical Centre Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Supply Chain Enterprise Sdn. Bhd. #	Malaysia	Property development and property investment	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018	2017	2018	2017
			%	%	%	%
(w) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Management of healthcare programmes	100	100	-	-
Sunway Residence Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Synergy Sdn. Bhd. (formerly known as Sunway Leisure Services Sdn. Bhd.)	Malaysia	Provision of human resource services	100	100	-	-
Rich Worldclass Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Tower 1 Sdn. Bhd. #	Malaysia	Car park management	100	100	-	-
Sunway Symphony Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway City India Private Limited #	India	Property development and investment holding	100	100	-	-
Sunway REM Sdn. Bhd.	Malaysia	Building facilities management services	100	100	-	-
Sunway Ambience Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Pals Loyalty Sdn. Bhd.	Malaysia	Customer loyalty schemes	100	100	-	-
Sunway Pinnacle Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
SunCity Vietnam Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Labuan Investment Ltd.	Malaysia	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(w) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Forum Hotel Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Kiara Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Century Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Pyramid Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Power Sdn. Bhd. #	Malaysia	Dormant	100	100	-	-
Sunway Properties Services Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Putra Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Pena Enterprise Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Mall Parking Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Parking Services Sdn. Bhd.	Malaysia	Car park management	100	100	-	-
Sunway Subang Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway D'Mont Kiara Sdn. Bhd.	Malaysia	Property development	88	88	12	12
Sunway Southern Management Sdn. Bhd.	Malaysia	Management company	100	100	-	-
Deco Style Sdn. Bhd.	Malaysia	Specialist contractor in renovation of commercial/residential projects	100	100	-	-
Sunway Pendas Management Sdn. Bhd.	Malaysia	Management company	100	100	-	-
Paradigm Fairview Sdn. Bhd. (Transfer to Sunway Medical Centre Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(w) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Platinum Greenway Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway GD Piling Sdn. Bhd.	Malaysia	Dormant	70	-	30	-
Sunway Belfield Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway (Tianjin) Management Consultancy Co. Ltd.	China	Provision of management consultancy and advisory services	100	100	-	-
Sunway Sustainability Solutions Sdn. Bhd.	Malaysia	Property and facility management	100	100	-	-
Galaxy Avenue Sdn. Bhd.	Malaysia	Property investment	100	-	-	-
Reptolink Sdn. Bhd.	Malaysia	Investment holding	100	-	-	-
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Hotel management	100	-	-	-
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	-	-	-
(x) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Letting, management of departmental stores and property development	100	100	-	-
Commercial Parade Sdn. Bhd. (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Dormant	-	100	-	-
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Carnival Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(x) Subsidiaries of Sunway City (Penang) Sdn. Bhd. (contd.)						
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Associated Circle Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Orient Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
(y) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
Sunway Hotel Phnom Penh Ltd.	Cambodia	Hotel business	52.50	52.50	47.50	47.50
(z) Subsidiaries of Sunway Lagoon Sdn. Bhd.						
Eastern Glory Enterprises Limited * ('Eastern Glory')	British Virgin Islands	Investment holding	45	45	55	55
Sunway Townhouse Sdn. Bhd. #	Malaysia	Property development and letting of property	100	100	-	-
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Frontier Acres Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
(aa) Subsidiaries of Sunway South Quay Sdn. Bhd.						
Sunway Geo Parking Sdn. Bhd.	Malaysia	Car park operator	100	100	-	-
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Prosper Revenue Sdn. Bhd.	Malaysia	Property development	67	67	33	33
Sunway Geo Sdn. Bhd.	Malaysia	Property investment	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(ab) Subsidiaries of Sunway Hospitality Holdings Ltd. (contd.)						
Allson International Hotels & Resorts (B.V.I.) Limited #	British Virgin Islands	Dormant	100	100	-	-
Allson International Management Limited #	British Virgin Islands	Hotel management	100	100	-	-
Sunway International Hotels & Resorts Sdn. Bhd. (Transfer to Sunway City Sdn. Bhd.)	Malaysia	Hotel management	-	100	-	-
(ac) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited #	Hong Kong	Investment holding	100	100	-	-
(ad) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member	Vietnam	Hotel business	100	100	-	-
(ae) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited #	Cambodia	Dormant	60.80	60.80	39.20	39.20
(af) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment and hotel owner and operator	95.96	95.96	4.04	4.04
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Lost World Water Park Sdn. Bhd.	Malaysia	Development and operation of a water theme park	95.96	95.96	4.04	4.04

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(af) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (contd.)						
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Hotel Services (Ipoh) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Operation of a hotel	95.96	95.96	4.04	4.04
(ag) Subsidiary of Deco Style Sdn. Bhd.						
Sunway Design Sdn. Bhd.	Malaysia	Interiors decorator and contractors	80	80	20	20
(ah) Subsidiaries of Sunway PKNS Sdn. Bhd.						
Imbasan Intisari Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Tidal Elegance Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Park Symphony Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Nexis Parking Sdn. Bhd.	Malaysia	Car park operator	60	60	40	40
Winning Excellence Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Sunway Giza Mall Sdn. Bhd.	Malaysia	Letting and management of a shopping complex	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018	2017	2018	2017
			%	%	%	%
(ah) Subsidiaries of Sunway PKNS Sdn. Bhd. (contd.)						
Sunway Giza Parking Sdn. Bhd.	Malaysia	Property investment	60	60	40	40
Sumber Dorongan Sdn. Bhd.	Malaysia	Property investment	60	60	40	40
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Bisikan Seni Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Emerald Freight Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Monterez Sdn. Bhd.	Malaysia	Property development	60	60	40	40
(ai) Subsidiaries of Eastern Glory Enterprises Limited						
Hartford Lane Pty. Ltd. #	Australia	Trustee	45	45	55	55
International Theme Park Pty. Ltd. #	Australia	Investment holding	45	45	55	55
(aj) Subsidiaries of International Theme Park Pty. Ltd.						
Sunway Australia Unit Trust #	Australia	Unit trust	45	45	55	55
(ak) Subsidiaries of Sunway City (S'pore) Pte. Ltd.						
Sunway Investment Management Consultancy (Shanghai) Co. Ltd. #	China	Provision of management consultancy advisory services	100	100	-	-
Sunway RE Capital Pte. Ltd.	Singapore	Real estate investment	100	100	-	-
Sunway Invoice Interchange Pte. Ltd.	Singapore	Dormant	100	100	-	-
Primary Selection Pte. Ltd.	Singapore	Dormant	100	-	-	-

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53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(al) Subsidiaries of Sunway Winstar Sdn. Bhd.						
Winstar Enterprise Sdn. Bhd.	Malaysia	Dormant	75.44	76	24.56	24
Rising Star Marketing Sdn. Bhd.	Malaysia	Dormant	75.44	53.6	24.56	46.4
Sunway Saf-T-Quip Sdn. Bhd.	Malaysia	Sale of industrial safety products	75.44	80	24.56	20
Sunway United Star Sdn. Bhd.	Malaysia	Trading of hardware and engineering products	62.62	66.4	37.38	33.6
Sunway Hsing Yeat Sdn. Bhd.	Malaysia	Trading in hardware and household products	75.44	64.93	24.56	35.07
I Star Electrical Sdn. Bhd.	Malaysia	Dormant	75.44	80	24.56	20
Jaya DIY Mart Sdn. Bhd.	Malaysia	Operation of DIY stores selling hardware and household products	75.44	80	24.56	20
(am) Subsidiaries of Winstar Enterprise Sdn. Bhd.						
Multi Star Marketing Sdn. Bhd.	Malaysia	Dormant	49.04	49.40	50.96	50.60
Power Star Hardware Sdn. Bhd.	Malaysia	Dormant	68.36	68.86	31.64	31.14
(an) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd.						
Prestamin Sdn. Bhd.	Malaysia	Dormant	75.44	64.93	24.56	35.07
TactStar Sdn. Bhd.	Malaysia	Wholesales of hardware and engineering products	75.44	64.93	24.56	35.07
Star Bridge Hardware Sdn. Bhd.	Malaysia	Dormant	56.58	48.69	43.42	51.31
Power Star Machinery Sdn. Bhd.	Malaysia	Dormant	75.44	64.93	24.56	35.07

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

53. SUBSIDIARIES (CONTD.)

Name of companies	Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2018 %	2017 %	2018 %	2017 %
(an) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd. (contd.)						
Sunway Coating Solutions Sdn. Bhd.	Malaysia	Manufacturing and selling of paints, chemical and concrete	52.81	45.45	47.19	54.55
North Star Marketing Sdn. Bhd.	Malaysia	Dormant	75.44	64.93	24.56	35.07
Aptstar Sdn. Bhd.	Malaysia	Dormant	75.44	64.93	24.56	35.07
The Venue International Sdn. Bhd.	Malaysia	Dormant	45.26	38.96	54.74	61.04
(ao) Subsidiary of Aptstar Sdn. Bhd.						
Mcstar Sdn. Bhd.	Malaysia	Dormant	75.44	64.93	24.56	35.07

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms

* Sunway Lagoon Sdn. Bhd. controls the composition of the Board of Directors of Eastern Glory and hence has the power to govern the relevant activities of Eastern Glory.

^ Subsidiaries are consolidated based on management accounts for the financial year ended 31 December 2018. The financial statements of these subsidiaries are not required to be audited as they had been placed under members' voluntary winding up and voluntary striking-off during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) Significant events during the financial year

- (i) **Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. ("SSSB"), View2pick Sdn. Bhd. ("V2P") and Chen Yew Plastics Sdn. Bhd. ("CYP") and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.**

Sunway Subang Sdn. Bhd. ("JVCo"), a wholly-owned subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is a wholly-owned subsidiary of the Company, had on 19 February 2016, entered into the following Sale and Purchase Agreements ("SPAs") for the acquisition of the undermentioned parcels of leasehold land (60 years tenure) free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition"):

Vendors	Details of the lands	Purchase Consideration
		RM'000
SSSB	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres ("PT 7")	12,500
V2P	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares ("PT 8")	9,000
CYP	Hakmilik H.S.(M) 6476, PT 2049 in Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor measuring approximately 2 acres together with buildings erected thereon ("PT 2049")	11,225
Total		32,725

PT 7, PT 8 and PT 2049 shall collectively be referred to as "the Lands".

SunCity had on even date, entered into a Shareholders Agreement ("SA") with V2P for the purpose of establishing a joint venture via the JVCo to develop industrial properties on the Lands ("Development") as well as to regulate the relationship between SunCity and V2P with respect to the joint venture ("Proposed Joint Venture").

Salient terms of the SPAs include, inter-alia, the following:

Pursuant to the SPAs, the JVCo would acquire the Lands from SSSB, V2P and CYP free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

(a) Significant events during the financial year (contd.)

- (i) **Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. (“SSSB”), View2pick Sdn. Bhd. (“V2P”) and Chen Yew Plastics Sdn. Bhd. (“CYP”) and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)**

Salient terms of the SPAs include, inter-alia, the following: (contd.)

The SPA for PT 2049 is conditional upon, amongst others, CYP having obtained the State Authority’s approval whether unconditionally or subject to conditions acceptable to the JVCo and the discharge of the charge over PT 2049.

The SPAs for PT 7 and PT 8 shall become unconditional when the following conditions have been fulfilled:

- (a) SSSB and CYP having obtained the State Authority’s approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- (b) the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- (c) SSSB and V2P having obtained the State Authority’s approval in accordance with the relevant provisions of the National Land Code in respect of the application for (i) amalgamation or (ii) surrender and re-alienation of PT 7, PT 8 and PT 2049 into one single issue document of title with a leasehold period of 99 years commencing from the date of issuance of the relevant new issue document of title; and
- (d) V2P having procured the registration of the discharge of the charge created over PT 8.

The completion of the acquisition of PT 7 and PT 8 are inter-conditional with one another while PT 2049 would be acquired independent of the acquisition of PT 7 and PT 8.

Salient terms of the SA include, inter-alia, the following:

- (a) Under the Proposed Joint Venture, SunCity and V2P shall subscribe for the following ordinary shares of RM1 each for cash in the share capital of the JVCo:

Shareholders	Number of shares	Shareholding Ratio
SunCity	79,000	80% *
V2P	20,000	20%

* Included 1,000 ordinary shares currently held by SunCity in the JVCo.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

(a) Significant events during the financial year (contd.)

- (i) **Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. ("SSSB"), View2pick Sdn. Bhd. ("V2P") and Chen Yew Plastics Sdn. Bhd. ("CYP") and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)**

Salient terms of the SPAs include, inter-alia, the following: (contd.)

- (b) SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.
- (c) SunCity shall nominate the Chairman of the Board.
- (d) The JVCo to enter into a management agreement with Sunway Integrated Properties Sdn. Bhd., a wholly-owned subsidiary of SunCity to undertake the tasks stipulated in the SA at a management fee equivalent to 1% of gross development value of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- (a) Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- (b) Approval of the relevant authorities granted to the JVCo for the amalgamation or surrender and re-alienation of the Lands and the extension of the leasehold period of the Lands to 99 years.

The SPA of PT2049 and the Proposed Joint Venture were completed on 29 June 2016 and 24 May 2017 respectively. The remainder of the acquisition of PT 7 and PT 8 have not been completed as at the date of this report.

- (ii) **Acquisition of land and buildings by Daksina Harta Sdn. Bhd. from Concept Housing Development (M) Sdn. Bhd., a related party**

On 1 August 2017, Daksina Harta Sdn. Bhd. ("Purchaser"), a subsidiary of the Company, entered into a Sale and Purchase Agreement ("SPA") with Concept Housing Development (M) Sdn. Bhd. ("Vendor") for the acquisition of a freehold land held under Geran No. 47813, Lot No. 1, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor measuring approximately 24,281.1 square metres (before taking into account/deducting the portion of the land that was compulsorily acquired by the relevant authority measuring 2,928 square metres) ("the Land") together with a partially completed commercial complex comprising a 3-storey podium (3 units of office space) including 1 unit of Tenaga Nasional Berhad substation, a 20-storey office Block A (17 units of office space), a 12-storey office Block B (9 units of office space) and a 10-storey car park ("the Buildings") free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition"). The Land and the Buildings shall be collectively be referred to as "the Property".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)**(a) Significant events during the financial year (contd.)****(ii) Acquisition of land and buildings by Daksina Harta Sdn. Bhd. from Concept Housing Development (M) Sdn. Bhd., a related party (contd.)**

Pursuant to the SPA, the Purchaser will acquire the Property from the Vendor free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) ("Purchase Price").

The Purchase Price shall be satisfied by the Purchaser in the following manner:

- (a) A deposit of RM6,300,000 paid to the Vendor's solicitors as stakeholder upon execution of the SPA which shall be refunded to the Purchaser interest free in the event the condition precedents are not met; and
- (b) The balance Purchase Price of RM56,700,000 shall be paid to the Vendor's solicitors as stakeholder within 3 months from the date of fulfillment of the conditions precedent ("Completion Date"). If the Purchaser fails to pay the balance Purchase Price or any remaining part thereof on or before the Completion Date, an extension period of 1 month shall be granted subject to the Purchaser paying interest of 5% per annum on the outstanding amount.

The Proposed Property Acquisition has been completed as at the date of this report.

(iii) Collective purchase of land, all the units and the common property in the development known as Brookvale Park comprised in Lots 4267K, 4268N, 4269X and 4270K of Mukim 5, Singapore ("Brookvale Park")

On 15 February 2018, Hoi Hup Realty Pte. Ltd. ("Hoi Hup") and Sunway Developments Pte. Ltd. (a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn is wholly-owned by the Company) ("SDPL") had entered into a Collective Sale and Purchase Agreement with the collective majority owners of Brookvale Park to acquire Brookvale Park ("the Property") for a total consideration of S\$530,000,000 (equivalent to approximately RM1.59 billion). The completion of the agreement is subject to fulfillment of conditions precedent and authorities' approval.

Brookvale Park, located on 999-year leasehold land in Clementi, Singapore, is currently a 160-unit private residential estate with a land area of 34,654 square meter. The Property will be redevelop into a new private residential development with an allowed plot ratio of 1.6 times, subject to authorities' approval ("the Proposed Project").

The Proposed Acquisition became unconditional on 14 February 2019 in accordance with the terms and conditions of the Collective Sale and Purchase Agreement.

The Collective Sale and Purchase Agreement has been completed but payment has not been made as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

(a) Significant events during the financial year (contd.)

(iv) Proposed acquisition of residential units by Sunway Avila Sdn. Bhd. (formerly known as Sunglobal Resources Sdn. Bhd. ("Sunway Avila") (a joint venture of the Company) from Setapak Heights Development Sdn. Bhd. (a related party)

On 25 May 2018, Sunway Avila, a joint venture of Sunway City Sdn. Bhd. which in turn is a joint venture of the Company, entered into a Master Sale and Purchase Agreement ("SPA") with Setapak Heights Development Sdn. Bhd. ("Setapak Heights") for the acquisition of 47 completed individual residential units of Residensi Infiniti 3 ("Parcels") developed by Setapak Heights on a leasehold land of 99 years expiring on 24 February 2109 held under Pajakan Negeri 50980 Lot 200649 Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan ("Land") on an "as is where is" basis and free from encumbrances and with vacant possession for a total purchase consideration of RM45,795,860 ("Proposed Acquisition").

Pursuant to the SPA, Sunway Avila will acquire the Parcels from Setapak Heights on an "as is where is" basis and free from encumbrances and with vacant possession for a total purchase consideration of RM45,795,860 ("Contract Price").

The Contract Price shall be satisfied by Sunway Avila in the following manner:

- (a) A sum of RM4,579,586 ("Initial Payment") paid to Setapak Heights upon execution of the SPA as part payment of the Contract Price;
- (b) Payment of RM20,608,137 shall be paid to Setapak Heights within 12 months from the date of the SPA towards part payment of the Contract Price; and
- (c) Payment of the remaining balance of the Contract Price of RM20,608,137 shall be paid to Setapak Heights within 18 months from the date the SPA.

If Sunway Avila fails to pay to Setapak Heights the balance Contract Price on their due dates, Sunway Avila shall be liable to pay a late payment interest of 8% per annum calculated on daily basis commencing from the day immediately after the expiry of such period as mentioned above until the date the outstanding amount is paid in full.

The SPA is conditional upon the discharge of the assignment of the Parcels in favour of Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad within one month from the date of the SPA or such further period as may be granted by Sunway Avila ("Cut-Off Period"). Setapak Heights and Sunway Avila shall treat the sale and purchase of the Parcels as being completed on the date this condition is fulfilled notwithstanding that the Contract Price has yet to be paid in full. If the condition is not fulfilled by the expiry of the Cut-Off Period, Setapak Heights is to refund the Initial Payment to Sunway Avila and Sunway Avila shall have the right to terminate the SPA.

The Proposed Acquisition has not been completed as at the date of this report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

54. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)**(a) Significant events during the financial year (contd.)****(v) Shareholders' Agreement between SunwayMas Sdn. Bhd., Perkasa Bernas (M) Sdn. Bhd. and Daksina Harta Sdn. Bhd. and Share Sale Agreement between SunwayMas Sdn. Bhd. and Perkasa Bernas (M) Sdn. Bhd.**

On 26 October 2018, SunwayMas Sdn. Bhd. ("SunwayMas"), a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, entered into a Shareholders' Agreement ("SA") with Perkasa Bernas (M) Sdn. Bhd. ("Perkasa"), a subsidiary of MKH Berhad and Daksina Harta Sdn. Bhd. ("Daksina") with intention to jointly develop a mixed development on the freehold land held under Geran 47813, Lot No. 1, Mukim Kajang Daerah Ulu Langat Negeri Selangor measuring approximately 5.28 acres ("the Land") as well as to regulate the relationship between SunwayMas and Perkasa as the shareholders of Daksina ("Proposed Joint Venture").

SunwayMas has on even date, entered into a Share Sale Agreement ("SSA") with Perkasa whereby SunwayMas agrees to dispose of 4 ordinary shares in Daksina to Perkasa ("Sale Shares"), representing 40% of the share capital of Daksina, at a total consideration of RM5,000,000/- ("Proposed Disposal").

SunwayMas, Perkasa and Daksina have entered into the SA to regulate the rights of SunwayMas and Perkasa as shareholders of Daksina and to undertake the Proposed Joint Venture. The salient terms of the SA are as follows:

- (a) SunwayMas and Perkasa shall maintain their shareholding in Daksina in the proportion as stated in item 3.2 below.
- (b) SunwayMas and Perkasa shall be entitled to nominate and appoint 3 directors and 2 directors in Daksina respectively.
- (c) SunwayMas shall nominate the Chairman of the Board.

Under the SSA, Perkasa agrees to acquire the Sale Shares in Daksina from SunwayMas at a total consideration of RM5,000,000. Upon completion of the Proposed Disposal, the shareholding of SunwayMas and Perkasa shall be as follows:

Shareholders	Number of Shares	Percentage of Shareholding
SunwayMas	6	60%
Perkasa	4	40%

The Proposed Disposal has been completed as at the date of this report.

(b) Significant events subsequent to the end of the reporting period

On 4 March 2019, the Company disposed of the ordinary shares of its wholly-owned subsidiaries to SunCity for a total consideration of RM469,246,319 ("Proposed Reorganisation Exercise"). Upon completion of the Proposed Reorganisation Exercise, Sunway Treasury Sdn. Bhd., Sunway REIT Holdings Sdn. Bhd., Sunway Medical Centre Sdn. Bhd. and Sunway Lagoon Club Berhad have become direct subsidiaries of SunCity.

The Proposed Reorganisation Exercise is not expected to have any effect on the issued and paid-up share capital of Sunway or its major shareholders' shareholdings or any material effect on the earnings, net assets or gearing of Sunway on a consolidated basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS

(a) New MFRSS adopted during the financial year and prior year restatements

The Group and the Company being transitioning entities as defined by the Malaysian Accounting Standards Board ("MASB"), have applied the MFRS Framework during the financial year ended 31 December 2018. Accordingly, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSS.

The Group has also reclassified its investments in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. during the financial year as investments in joint ventures resulting in prior year restatements.

In adopting the new MFRS Framework, the Group applied the transition requirements in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. In addition to the adoption of the new MFRS Framework, the following new MFRSS and Amendments to the MFRSS issued by MASB were adopted by the Group during the financial year:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48

(b) Explanation of transition to MFRSS and prior year restatements

The Group adjusted amounts previously reported in the financial statements that were prepared in accordance with the previous FRS Framework. In preparing the opening statements of financial position at 1 January 2017, an explanation on the impact arising from the transition from FRSs to MFRSS and prior year restatements on the financial position and financial performance of the Group is set out as follows:

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2017

Group	Note	Previously reported under FRSs RM'000	Effects of adoption of MFRS 9 RM'000	Effects of adoption of MFRS 15 RM'000	Effects of prior year restatements RM'000	Restated under MFRSS RM'000
Revenue	(v), (vi)	5,375,396	-	(54,410)	(81,707)	5,239,279
Cost of sales	(v), (vi)	(3,554,275)	-	43,405	2,195	(3,508,675)
Gross profit		1,821,121	-	(11,005)	(79,512)	1,730,604
Other income		163,931	-	-	(1,604)	162,327
Administrative expenses	(vi)	(743,470)	-	-	53,716	(689,754)
Selling and marketing expenses	(vi)	(190,638)	-	-	8,482	(182,156)
Other expenses	(iv), (vi)	(364,301)	(5,622)	-	2,030	(367,893)
Operating profit		686,643	(5,622)	(11,005)	(16,888)	653,128

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2017 (contd.)

Group	Note	Previously reported under FRSs RM'000	Effects of adoption of MFRS 9 RM'000	Effects of adoption of MFRS 15 RM'000	Effects of prior year restatements RM'000	Restated under MFRSs RM'000
Operating profit		686,643	(5,622)	(11,005)	(16,888)	653,128
Finance and other distribution income	(vi)	197,687	-	-	26,630	224,317
Finance costs	(vi)	(220,271)	-	-	15,506	(204,765)
Share of results of associates		168,613	-	-	-	168,613
Share of results of joint ventures	(v), (vi)	49,520	-	2,081	(13,754)	37,847
Profit before tax		882,192	(5,622)	(8,924)	11,494	879,140
Income tax expense	(vi)	(149,387)	-	-	30	(149,357)
Profit for the financial year		732,805	(5,622)	(8,924)	11,524	729,783
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss in subsequent periods						
Foreign currency translations	(v)	(35,497)	-	(4,349)	-	(39,846)
Cash flow hedge reserve - fair value (loss)/gain						
- Fair value loss of derivatives		(157,945)	-	-	-	(157,945)
- Amounts recycled to profit or loss		161,885	-	-	-	161,885
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax	(v)	(31,557)	-	(4,349)	-	(35,906)
Total comprehensive income for the financial year		701,248	(5,622)	(13,273)	11,524	693,877

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2017 (contd.)

Group	Note	Previously reported under FRSSs RM'000	Effects of adoption of MFRS 9 RM'000	Effects of adoption of MFRS 15 RM'000	Effects of prior year restatements RM'000	Restated under MFRSs RM'000
Attributable to:						
Owners of the parent		639,499	(3,133)	(8,894)	-	627,472
Non-controlling interests		93,306	(2,489)	(30)	11,524	102,311
		732,805	(5,622)	(8,924)	11,524	729,783
Total comprehensive income attributable to:						
Owners of the parent		610,836	(3,133)	(13,243)	-	594,460
Non-controlling interests		90,412	(2,489)	(30)	11,524	99,417
		701,248	(5,622)	(13,273)	11,524	693,877
Earnings per share attributable to owners of the parent (sen per share):						
Basic		13.29				13.04
Diluted		13.25				13.00
Company						
Revenue		323,345	-	-	-	323,345
Cost of sales		(40,276)	-	-	-	(40,276)
Gross profit		283,069	-	-	-	283,069
Other income		11,492	-	-	-	11,492
Administrative expenses		(20,820)	-	-	-	(20,820)
Other expenses	(iv)	(777)	(384)	-	-	(1,161)
Operating profit		272,964	(384)	-	-	272,580
Finance and other distribution income		118,587	-	-	-	118,587
Finance costs		(64,642)	-	-	-	(64,642)
Profit before tax		326,909	(384)	-	-	326,525
Income tax expense		(2,130)	-	-	-	(2,130)
Profit for the financial year		324,779	(384)	-	-	324,395
Attributable to:						
Owners of the parent		324,779	(384)	-	-	324,395
Non-controlling interests		-	-	-	-	-
		324,779	(384)	-	-	324,395

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

- (i) Reconciliation of statements of profit or loss and other comprehensive income for the financial year ended 31 December 2017 (contd.)

Company	Note	Previously reported under FRSs RM'000	Effects of adoption of MFRS 9 RM'000	Effects of adoption of MFRS 15 RM'000	Effects of prior year restatements RM'000	Restated under MFRSs RM'000
Profit for the financial year	(iv)	324,779	(384)	-	-	324,395
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Fair value realised on disposal of other investments		(228)	-	-	-	(228)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax						
		(228)	-	-	-	(228)
Total comprehensive income for the financial year						
		324,551	(384)	-	-	324,167
Total comprehensive income attributable to:						
Owners of the parent		324,551	(384)	-	-	324,167
Non-controlling interests		-	-	-	-	-
		324,551	(384)	-	-	324,167

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSS and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position:

Group		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated under MFRSS
1 January 2017	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	(vi)	1,879,929	-	-	1,496,401
Intangible assets		32,811	-	-	32,811
Investment properties		2,798,405	-	-	2,008,405
Land held for property development	(v)	1,191,512	-	(1,191,512)	-
Inventories	(v)	-	-	1,191,512	1,191,512
Investments in associates	(vi)	1,728,879	-	-	1,726,256
Investments in joint ventures	(v), (vi)	1,501,055	-	80,153	1,621,672
Goodwill	(vi)	311,840	-	-	311,812
Deferred tax assets		70,758	-	-	70,758
Trade receivables		30,380	-	-	30,380
Other receivables		19,380	-	-	19,380
Amounts due from joint ventures	(vi)	-	-	-	1,527,168
Derivatives		164,711	-	-	164,711
Rock reserves		6,394	-	-	6,394
Other investments		476	-	-	476
Biological assets		825	-	-	825
		9,737,355	-	80,153	10,208,961
Current assets					
Property development costs	(v)	1,171,286	-	(1,171,286)	-
Inventories	(v)	669,965	-	1,201,717	1,871,682
Trade receivables	(iv), (v), (vi)	1,550,998	(6,112)	(275,337)	1,268,511
Other receivables	(iv), (vi)	340,512	(556)	-	334,421
Contract assets	(iv), (v)	-	(13)	103,603	103,590
Placement in funds		2,129,635	-	-	2,129,635
Cash and bank balances	(vi)	1,950,420	-	-	1,949,757
Derivatives		342,944	-	-	342,944
Amounts due from associates	(iv)	39,194	(342)	-	38,852
Amounts due from joint ventures	(iv), (vi)	780,559	(126)	-	230,044
Tax recoverable	(vi)	39,085	-	-	39,081
		9,014,598	(7,149)	(141,303)	8,308,517
Total assets		18,751,953	(7,149)	(61,150)	18,517,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Effects of prior year restatements	Restated under MFRSs
1 January 2017	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Equity and liabilities						
Current liabilities						
Borrowings		4,858,419	-	-	-	4,858,419
Trade payables	(v), (vi)	1,345,643	-	(132,639)	(23)	1,212,981
Other payables	(v), (vi)	1,092,571	-	(39,324)	(181,585)	871,662
Contract liabilities	(v)	-	-	40,649	-	40,649
Amounts due to associates		1,816	-	-	-	1,816
Amounts due to joint ventures	(vi)	43,991	-	-	46,155	90,146
Advances by non-controlling interests of subsidiaries		146,702	-	-	-	146,702
Hire purchase and finance lease liabilities		1,626	-	-	-	1,626
Derivatives		5,560	-	-	-	5,560
Tax payable		30,885	-	-	-	30,885
		7,527,213	-	(131,314)	(135,453)	7,260,446
Non-current liabilities						
Borrowings		2,551,996	-	-	-	2,551,996
Deferred tax liabilities		94,561	-	-	-	94,561
Other payables		334,501	-	-	-	334,501
Long term liabilities		5,682	-	-	-	5,682
Hire purchase and finance lease liabilities		1,126	-	-	-	1,126
Derivatives		3,644	-	-	-	3,644
		2,991,510	-	-	-	2,991,510
Total liabilities		10,518,723	-	(131,314)	(135,453)	10,251,956
Equity attributable to owners of the parent						
Share capital		2,063,067	-	-	-	2,063,067
Treasury shares		(120,532)	-	-	-	(120,532)
Share premium		3,118,802	-	-	-	3,118,802
Equity contribution from a joint venture		51,654	-	-	-	51,654
Merger reserve		(1,192,040)	-	-	-	(1,192,040)
Reserves	(iv), (v), (vi)	3,548,771	(4,582)	70,164	(2,623)	3,611,730
		7,469,722	(4,582)	70,164	(2,623)	7,532,681
Non-controlling interests	(iv), (vi)	763,508	(2,567)	-	(28,100)	732,841
Total equity		8,233,230	(7,149)	70,164	(30,723)	8,265,522
Total equity and liabilities		18,751,953	(7,149)	(61,150)	(166,176)	18,517,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated under MFRSs
31 December 2017	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	(vi)	2,050,494	-	-	1,522,895
Intangible assets	(vi)	15,381	-	-	15,333
Investment properties	(vi)	2,856,760	-	-	2,066,760
Land held for property development	(v)	1,682,127	-	(1,682,127)	-
Inventories	(v)	-	-	1,682,127	1,682,127
Investments in associates	(vi)	1,889,499	-	-	1,886,876
Investments in joint ventures	(v), (vi)	1,637,047	-	77,885	1,741,727
Goodwill	(vi)	311,842	-	-	311,814
Deferred tax assets		100,828	-	-	100,828
Trade receivables		51,407	-	-	51,407
Other receivables		11,351	-	-	11,351
Amounts due from joint ventures	(iv), (vi)	183,201	(20)	-	1,242,074
Derivatives		34,181	-	-	34,181
Rock reserves		6,131	-	-	6,131
Other investments		813	-	-	813
Biological assets		616	-	-	616
		10,831,678	(20)	77,885	10,674,933
Current assets					
Property development costs	(v)	1,033,371	-	(1,033,371)	-
Inventories	(v)	681,339	-	1,107,206	1,788,430
Trade receivables	(iv),(v), (vi)	1,930,195	(11,880)	(257,000)	1,659,087
Other receivables	(iv),(vi)	290,556	(334)	-	285,251
Contract assets	(iv), (v)	-	(18)	104,678	104,660
Placement in funds		2,035,734	-	-	2,035,734
Cash and bank balances	(vi)	2,390,898	-	-	2,382,870
Derivatives		68,378	-	-	68,378
Amounts due from associates	(iv)	41,904	(458)	-	41,446
Amounts due from joint ventures	(iv), (vi)	551,887	(61)	-	113,031
Tax recoverable	(vi)	57,504	-	-	57,474
		9,081,766	(12,751)	(78,487)	8,536,361

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Effects of prior year restatements	Restated under MFRSs
31 December 2017	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Assets of disposal group classified as held for sale		294,283	-	-	-	294,283
Total assets		20,207,727	(12,771)	(602)	(688,777)	19,505,577
Equity and liabilities						
Current liabilities						
Borrowings		4,910,497	-	-	-	4,910,497
Trade payables	(v), (vi)	1,595,926	-	(75,668)	(144)	1,520,114
Other payables	(v), (vi)	1,310,825	-	(16,494)	(167,442)	1,126,889
Contract liabilities	(v)	-	-	34,669	-	34,669
Amounts due to associates		14,850	-	-	-	14,850
Amounts due to joint ventures		58,601	-	-	-	58,601
Hire purchase and finance lease liabilities		552	-	-	-	552
Derivatives		48,315	-	-	-	48,315
Tax payable		26,662	-	-	-	26,662
		7,966,228	-	(57,493)	(167,586)	7,741,149
Non-current liabilities						
Borrowings	(vi)	3,348,110	-	-	(480,000)	2,868,110
Deferred tax liabilities		121,331	-	-	-	121,331
Other payables	(vi)	275,417	-	-	(21,854)	253,563
Long term liabilities		4,450	-	-	-	4,450
Hire purchase and finance lease liabilities		234	-	-	-	234
Derivatives		4,496	-	-	-	4,496
		3,754,038	-	-	(501,854)	3,252,184
Total liabilities		11,720,266	-	(57,493)	(669,440)	10,993,333
Equity attributable to owners of the parent						
Share capital		5,370,606	-	-	-	5,370,606
Treasury shares		(63,817)	-	-	-	(63,817)
Equity contribution from a joint venture		51,654	-	-	-	51,654
Merger reserve		(1,192,040)	-	-	-	(1,192,040)
Reserves	(iv), (v), (vi)	3,677,732	(7,715)	56,921	(2,623)	3,724,315
		7,844,135	(7,715)	56,921	(2,623)	7,890,718

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Group		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated under MFRSs
31 December 2017	Note	RM'000	RM'000	RM'000	RM'000
Non-controlling interests	(iv), (v), (vi)	643,326	(5,056)	(30)	621,526
Total equity		8,487,461	(12,771)	56,891	8,512,244
Total equity and liabilities		20,207,727	(12,771)	(602)	19,505,577
Company					
1 January 2017					
Assets					
Non-current assets					
Property, plant and equipment		1,466	-	-	1,466
Investments in subsidiaries		4,040,944	-	-	4,040,944
Investments in joint ventures		800	-	-	800
Other investments		3,375	-	-	3,375
		4,046,585	-	-	4,046,585
Current assets					
Other receivables		9,413	-	-	9,413
Placement in funds		838,822	-	-	838,822
Cash and bank balances		439,275	-	-	439,275
Amounts due from subsidiaries	(iv), (vi)	1,053,396	(572)	-	1,052,814
Amounts due from associates		5	-	-	5
Amounts due from joint ventures	(vi)	1,857	-	-	1,867
Tax recoverable		85	-	-	85
		2,342,853	(572)	-	2,342,281
Total assets		6,389,438	(572)	-	6,388,866
Equity and liabilities					
Current liabilities					
Borrowings		768,000	-	-	768,000
Other payables		27,167	-	-	27,167
Amounts due to subsidiaries		858	-	-	858
		796,025	-	-	796,025
Non-current liabilities					
Borrowings		450,000	-	-	450,000
Total liabilities		1,246,025	-	-	1,246,025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated under MFRSs
31 December 2017	Note	RM'000	RM'000	RM'000	RM'000
Equity attributable to owners of the parent					
Share capital		2,063,067	-	-	2,063,067
Share premium		3,118,802	-	-	3,118,802
Treasury shares		(120,532)	-	-	(120,532)
Reserves	(iv)	82,076	(572)	-	81,504
Total equity		5,143,413	(572)	-	5,142,841
Total equity and liabilities		6,389,438	(572)	-	6,388,866
31 December 2017					
Assets					
Non-current assets					
Property, plant and equipment		211	-	-	211
Investments in subsidiaries		4,042,679	-	-	4,042,679
Investments in joint ventures		800	-	-	800
Other investments		78	-	-	78
		4,043,768	-	-	4,043,768
Current assets					
Other receivables		11,855	-	-	11,855
Placement in funds		529,511	-	-	529,511
Cash and bank balances		736,164	-	-	736,164
Amounts due from subsidiaries	(iv), (vi)	1,747,544	(956)	-	1,746,546
Amounts due from associates		824	-	-	824
Amounts due from joint ventures	(vi)	1,520	-	-	1,562
		3,027,418	(956)	-	3,026,462
Total assets		7,071,186	(956)	-	7,070,230

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(ii) Reconciliation of statements of financial position: (contd.)

Company		Previously reported under FRSs	Effects of adoption of MFRS 9	Effects of adoption of MFRS 15	Restated under MFRSs
31 December 2017	Note	RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Current liabilities					
Borrowings		1,060,000	-	-	1,060,000
Other payables		27,146	-	-	27,146
Amounts due to subsidiaries		5,557	-	-	5,557
Amounts due to associates		39	-	-	39
Amounts due to joint ventures		11	-	-	11
Tax payable		230	-	-	230
		1,092,983	-	-	1,092,983
Non-current liabilities					
Borrowings		610,000	-	-	610,000
Total liabilities		1,702,983	-	-	1,702,983
Equity attributable to owners of the parent					
Share capital		5,370,606	-	-	5,370,606
Treasury shares		(63,817)	-	-	(63,817)
Reserves	(iv)	61,414	(956)	-	60,458
Total equity		5,368,203	(956)	-	5,367,247
Total equity and liabilities		7,071,186	(956)	-	7,070,230

Notes to reconciliation

(iii) Transition from FRS Framework to MFRS Framework

The Group elected to apply MFRS 3 *Business Combinations* prospectively from the date FRS 3 *Business Combinations* was adopted and to deem the carrying amount of investment in each subsidiary, joint venture and associate to be the cost of the investment in the separate financial statements as at the date of transition to MFRSs.

The Group elected to apply the optional exemption to apply the requirements of MFRS 123 from the date of transition to MFRSs. Hence, the Group did not restate the borrowing costs component that was capitalised in the carrying amounts of land held for property development and property development costs under the previous FRS 123 *Borrowing Costs*.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)**(b) Explanation of transition to MFRSs and prior year restatements (contd.)**Notes to reconciliation (contd.)

(iv) Adoption of MFRS 9

MFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces FRS 139 *Financial Instruments: Recognition and Measurement*.

(a) Classification of financial assets and financial liabilities

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- The Available-For-Sale (“AFS”), Held-To-Maturity (“HTM”) and Loans and Receivables (“L&R”) financial asset categories were removed.
- A new financial asset category measured at Amortised Cost (“AC”) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- A new financial asset category measured at Fair Value Through Other Comprehensive Income (“FVTOCI”) was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in FRS 139 for the classification of financial liabilities.

However, under FRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- (i) Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- (ii) The remaining amount of change in the fair value is presented in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

Notes to reconciliation (contd.)

(iv) Adoption of MFRS 9 (contd.)

(b) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of FRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the assets.

Impairment for trade receivables and contract assets are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within other expenses in the statements of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables, amounts due from subsidiaries, associates and joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(c) Hedge accounting

The Group has elected to adopt the new general hedge accounting model in MFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Based on the assessment, there is no change in the hedge accounting model of the Group upon adoption of MFRS 9.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(iv) Adoption of MFRS 9 (contd.)

(d) The MFRS 9 adjustments are mainly due to:

(i) Reclassification of the financial assets and financial liabilities of the Group and the Company are as follows:

Group	Classification	
	Existing under FRS 139	New under MFRS 9
Financial assets		
Other investments	AFS	FVTPL/ FVTOCI
Trade receivables	L&R	AC
Other receivables, net of prepayments	L&R	AC
Amounts due from joint ventures and associates	L&R	AC
Cash and bank balances	L&R	AC
Derivatives	FVTPL	FVTPL
Placement in funds	FVTPL	FVTPL
Financial liabilities		
Trade payables	OFL	AC
Other payables	OFL	AC
Amounts due to joint ventures and associates	OFL	AC
Borrowings	OFL	AC
Hire purchase and finance lease liabilities	OFL	AC
Company		
Other investments	AFS	FVTPL
Other receivables, net of prepayments	L&R	AC
Amounts due from subsidiaries	L&R	AC
Amounts due from joint ventures and associates	L&R	AC
Cash and bank balances	L&R	AC
Placement in funds	FVTPL	FVTPL
Other payables	OFL	AC
Amounts due to subsidiaries	OFL	AC
Amounts due to joint ventures and associates	OFL	AC
Borrowings	OFL	AC

AFS	Available-For-Sale
L&R	Loans and Receivables
AC	Amortised Cost
FVTPL	Fair Value Through Profit and Loss
FVTOCI	Fair Value Through Other Comprehensive Income
OFL	Other Financial Liabilities

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(b) Explanation of transition to MFRSs and prior year restatements (contd.)

(v) Adoption of MFRS 15

MFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces FRS 118 *Revenue*, FRS 111 *Construction Contracts*, FRS 201(2004) *Property Development Activities* and related Interpretations. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires significant judgement.

In applying MFRS 15 retrospectively, the Group applied the following practical expedients:

- (a) For completed contracts, contracts that begin and end within the same annual reporting period were not restated;
- (b) For completed contracts that have variable consideration, rather than estimating variable consideration amounts in the comparative reporting periods, transaction price at the date the contract was completed was used; and
- (c) For all reporting period presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the revenue is expected to be recognised need not be disclosed.

The MFRS 15 adjustments are mainly due to:

- (a) Changes to the timing of revenue recognition for property development activities;
- (b) Reclassification of excess of revenue earned over the billings on property development contracts to contract assets;
- (c) Reclassification of excess of billings over revenue earned on property development contracts, deferred income and customers deposit to contract liabilities; and
- (d) Reclassification of land held for property development and property development costs to inventories.

(vi) Prior year restatements

The Group has reclassified its investments in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. from investments in subsidiaries to investments in joint ventures following an assessment during the financial year that the Group does not control these companies as there are matters relating to operations that required joint decisions by the relevant shareholders.

Consequently, the Group has deconsolidated these two (2) entities, equity accounted and adjusted amounts previously reported in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(c) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019

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

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements, except for MFRS 16 as described below.

The following table provide an estimate of the impact of expected changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 as at 1 January 2019:

Group	Note	As reported RM'000	Effects of MFRS 16 RM'000	As restated RM'000
Non-current assets				
Right-of-use assets	(a)	-	702,217	702,217
Current liabilities				
Other payables		1,268,581	(8,115)	1,260,466
Lease liabilities	(b)	357	53,803	54,160
		1,268,938	45,688	1,314,626
Non-current liabilities				
Lease liabilities	(b)	528	758,237	758,765
Retained profits		3,708,354	(101,708)	3,606,646

(a) Right-of-use assets comprise premises and equipment. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at an amount equal to the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

55. ADOPTION OF MFRSS, AMENDMENTS TO MFRSS AND PRIOR YEAR RESTATEMENTS (CONTD.)

(c) New MFRSSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019 (contd.)

- (b) Lease liabilities arising from the premises and equipment are recognised and discounted using the weighted average incremental borrowing rate of the Group of 5.41% - 5.71%. Subsequent to initial recognition, the Group measure the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.

Other than the above, the Group elected to apply exemption for a lease of equipment expiring within 12 months under the Appendix C, paragraph 10(c) of this Standard. The lease payments of this equipment are recognised as an expense on a straight line basis over the remaining lease term.

56. FINANCIAL REPORTING UPDATES

(a) IFRIC Tentative Agenda Decision ("TAD") - Over time transfer of constructed good, which may have impacts on the Group's financial statements on adoption

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- (i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
- (ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 31 December 2021.

LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2018

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2018 (RM'000)	Date of Acquisition (A) / Revaluation (R)
PT 252 HS(D) 63419 PT 4974 HS(D) 79345 PN 92838 Lot 72241 PT 194 HS(D) 238244 PT 193 HS(D) 238243 PT 215 HS(D) 240048 Mukim Damansara Daerah Petaling Selangor Darul Ehsan	21.83	Kelana Jaya land (Land under development and held for development)	-	Freehold & Leasehold expiring 11.05.2106	511,056	A: May-15 Feb-16
H.S.(D) 308674, PT 1356 (formerly PN 9497, Lot 41) Jalan Lagoon Selatan, Bandar Sunway, Daerah Petaling, Selangor	5.78 / 601,600	Sunway Medical Centre 3, Sunway Medical Centre 4 under construction, and land	2	Leasehold expiring 10.7.2114	393,528	R: Dec-18 A: Jul-15
Lot No. 61759 (Previously known as PT638) PN 17103 (Previously known as HS(D) 174431) Bandar Sunway Daerah Petaling Selangor Darul Ehsan	1.80 / 1,141,147	Sunway Pinnacle	5	Leasehold expiring 01.04.2097	379,476	R: Dec-18
Lot 1385, 2102, 3224 & 7629 & 3223 & 7630 Mukim 13, Daerah Timur Laut Pulau Pinang	24.92	Paya Terubong land (Land held for development)	-	Freehold	366,531	A: Dec-13
GRN.81534 Lot 62644 PT 895 HS(D) 238254 PT 923 HS(D) 238976 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	7.86 / 623,010	Sunway Monash Hostel (Phase 1 & Phase 2 under construction)	7.5	Leasehold expiring 15.03.2106 & 02.04.2106	325,317	R: Dec-18
PT894 HSD(T) 238253 Lot 62630 (previously known as PT907) PN 81526 (previously known as HSD (T) 238960) Bandar Sunway Daerah Petaling Selangor Darul Ehsan	11.96 / 1,056,191	Monash University	12	Leasehold expiring 02.04.2106 & 15.05.2106	301,750	R: Dec-18

Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2018 (RM'000)	Date of Acquisition (A) / Revaluation (R)
Lot 62637 - 62639, Lot 62654, Lot 62656 PT1351 HS(D) 297665 PT97615 HS(D) 64729 PT1352 HS(D) 297666 PT1353 HS(D) 297667 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	49.60	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 05.07.2104 & 15.05.2106 & 20.05.2113	271,219	A: Apr-04 Nov-05 Mar-06
PTD 218602, 231849, 231850, 231854 231856, 231857 Lot 211689 (GRN569700) (previously known as 231844) Mukim Plentong, District of Johor Bahru, Johor	68.71	Sunway Lenang Heights (Land under development and held for development)	-	Freehold	233,235	A: Dec-10
Geran Mukim 85 Lot 526 Hakmilik Sementara PT36391 Geran Mukim 319 Lot 62506 Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor	14.80	USJ 1 Land (Land held for development)	-	Freehold	193,224	A: Aug-17
Geran No. 78658, Lot No: 20010 Seksyen 69 Bandar Kuala Lumpur, Negeri Wilayah Persekutuan	4.53	Jalan Belfield land (Land held for development)	-	Freehold	184,004	A: Jul-17

PUTTING THE PIECES TOGETHER

Sunway's Building Materials division supplies Interlocking Concrete Pavers, Vitrified Clay Pipes and Spun Piles to a diversified customer base in Malaysia and China. Moving forward, the division seeks to expand geographically and continuously innovate to retain its market leadership position.

SHAREHOLDINGS' INFORMATION

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based on the Register of Directors' Shareholdings
- 334** Analysis of Shareholdings
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DIRECTORS' INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

AS AT 20 MARCH 2019

DIRECTORS' INTERESTS IN SUNWAY

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	249,108,108	5.14
Tan Sri Datuk Seri Razman M Hashim	3,542,324	0.07
Dato' Chew Chee Kin	20,623,927	0.43
Sarena Cheah Yean Tih	5,145,175	0.11
Tan Sri Dato' Dr. Lin See Yan	700,000	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^(a)	2,736,925,095	56.46
Dato' Chew Chee Kin ^(b)	1,534,029	0.03
Sarena Cheah Yean Tih ^(c)	2,976,778,211	61.40

Name of Directors	Warrants 2017/2024	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	32,028,184	5.08
Tan Sri Datuk Seri Razman M Hashim	455,441	0.07
Dato' Chew Chee Kin	2,651,647	0.42
Sarena Cheah Yean Tih	661,522	0.11
Tan Sri Dato' Dr. Lin See Yan	90,000	0.01
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^(a)	403,096,933	63.99
Dato' Chew Chee Kin ^(b)	197,232	0.03
Sarena Cheah Yean Tih ^(c)	433,935,190	68.88

DIRECTORS' INTERESTS IN SUNWAY'S IMMEDIATE HOLDING COMPANY SUNGEI WAY CORPORATION SDN BHD

Name of Directors	Ordinary Shares	
	No.	%
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^(d)	10,000,000	100.00
Sarena Cheah Yean Tih ^(e)	10,000,000	100.00
Name of Directors	Non-Cumulative Redeemable Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	122,000,000	100.00
Deemed interest		
Sarena Cheah Yean Tih ^(f)	122,000,000	100.00

**DIRECTORS' INTERESTS IN SUNWAY'S ULTIMATE HOLDING COMPANY
ACTIVE EQUITY SDN BHD**

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	102,000	60.00
Sarena Cheah Yean Tih	25,500	15.00
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^(e)	68,000	40.00
Sarena Cheah Yean Tih ^(f)	102,000	60.00

**DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY
SUNWAY GLOBAL LIMITED**

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Dato' Chew Chee Kin	689,183	0.24

**DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY
SUNWAY CONSTRUCTION GROUP BERHAD**

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	7,723,892	0.60
Tan Sri Datuk Seri Razman M Hashim	106,864	0.01
Sarena Cheah Yean Tih	57,727	#
Tan Sri Dato' Dr. Lin See Yan	10,000	#
Deemed interest		
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO ^(h)	833,629,588	64.51
Sarena Cheah Yean Tih ⁽ⁱ⁾	841,282,416	65.10

NOTES:

- (a) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
- (b) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse.
- (c) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.
- (d) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and children.
- (e) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd and parent.
- (f) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.
- (g) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.
- (h) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and children.
- (i) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd, spouse and parent.
- # Negligible

ANALYSIS OF SHAREHOLDINGS

AS AT 20 MARCH 2019

Issued shares : 4,924,641,082 ordinary shares
 Treasury shares : 76,833,262 treasury shares held by the Company
 Class of Shares : Ordinary shares
 Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	2,185	10.57	73,300	#
100 - 1,000	2,236	10.81	1,184,565	0.02
1,001 - 10,000	10,936	52.88	48,465,385	1.00
10,001 - 100,000	4,559	22.04	126,005,015	2.60
100,001 - 242,390,390 (Less than 5% of issued shares)	759	3.67	1,776,527,661	36.65
242,390,391 (5% and above of issued shares)	6	0.03	2,895,551,894	59.73
	20,681	100.00	4,847,807,820*	100.00

Note:

Less than 0.01%

* Exclude a total of 76,833,262 treasury shares retained by the Company as per record of depositors as at 20 March 2019.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(Excluding 76,833,262 treasury shares)

Name of Shareholders	No. of Shares	% of Shares
1 Sungei Way Corporation Sendirian Berhad	1,175,835,993	24.26
2 Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (BSY)	495,000,000	10.21
3 Sungei Way Corporation Sendirian Berhad	360,594,726	7.44
4 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	329,933,333	6.81
5 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	267,884,509	5.53
6 RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	266,303,333	5.49
7 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	158,556,968	3.27
8 Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Sungei Way Corporation Sdn Bhd	100,000,000	2.06
9 HSBC Nominees (Tempatan) Sdn Bhd - HBAP for Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling (PB-SGDIV)	90,000,000	1.86
10 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	84,370,561	1.74
11 HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	61,928,822	1.28
12 Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 14)	59,036,457	1.22
13 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AFFIN-HWG)	48,064,345	0.99
14 Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	40,025,583	0.83
15 Amanahraya Trustees Berhad - Amanah Saham Bumiputera 2	40,000,000	0.83
16 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	37,027,243	0.76
17 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	30,602,580	0.63
18 Permodalan Nasional Berhad	28,750,000	0.59
19 Kumpulan Wang Persaraan (Diperbadankan)	28,488,200	0.59
20 True Paragon Sdn Bhd	28,353,700	0.58

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Shareholders	No. of Shares	% of Shares
21	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	25,592,738	0.53
22	Cartaban Nominees (Asing) Sdn Bhd - Exempt AN for State Street Bank & Trust Company (West CLT OD67)	23,635,179	0.49
23	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Affin Hwang Select Opportunity Fund (3969)	23,277,200	0.48
24	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	21,979,792	0.45
25	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	21,225,633	0.44
26	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	20,335,022	0.42
27	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	18,740,252	0.39
28	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	16,829,871	0.35
29	Maybank Nominees (Tempatan) Sdn Bhd - Mtrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI) (419455)	16,511,100	0.34
30	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	15,279,597	0.32

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Name of Shareholders	No. of Shares	% of Shares
1	Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO		
	• Direct interest	249,108,108	5.14
	• Deemed interest ^(a)	2,736,925,095	56.46
2	Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng		
	• Deemed interest ^(b)	2,986,033,203	61.60
3	Sarena Cheah Yean Tih		
	• Direct interest	5,145,175	0.11
	• Deemed interest ^(c)	2,976,778,211	61.40
4	Evan Cheah Yean Shin		
	• Direct interest	4,112,535	0.08
	• Deemed interest ^(d)	2,976,775,493	61.40
5	Adrian Cheah Yean Sun		
	• Deemed interest ^(d)	2,976,775,493	61.40
6	Sungei Way Corporation Sdn Bhd	2,727,667,385	56.27
7	Active Equity Sdn Bhd		
	• Deemed interest ^(e)	2,727,667,385	56.27
8	Employees Provident Fund Board	350,159,470	7.22

NOTES:

(a) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.

(b) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through spouse and children.

(c) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.

(d) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and parent.

(e) Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Sungei Way Corporation Sdn Bhd.

ANALYSIS OF WARRANTHOLDINGS

AS AT 20 MARCH 2019

DISTRIBUTION OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants	% of Warrants
Less than 100	3,065	20.40	64,669	0.01
100 - 1,000	6,845	45.57	3,299,241	0.52
1,001 - 10,000	3,979	26.48	12,426,837	1.97
10,001 - 100,000	886	5.90	29,016,627	4.61
100,001 - 31,498,456 (Less than 5% of warrants in issue)	244	1.62	151,297,803	24.02
31,498,457 (5%) and above	5	0.03	433,863,981	68.87
	15,024	100.00	629,969,158	100.00

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrantholders	No. of Warrants	% of Warrants
1 Sungei Way Corporation Sendirian Berhad	224,843,478	35.69
2 Sungei Way Corporation Sendirian Berhad	100,404,179	15.94
3 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	42,420,000	6.73
4 RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	34,239,000	5.44
5 Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO	31,957,324	5.07
6 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	10,614,692	1.68
7 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	9,514,292	1.51
8 UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Kwee Hock	5,253,000	0.83
9 Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	5,049,717	0.80
10 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	4,799,217	0.76
11 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	4,701,816	0.75
12 HSBC Nominees (Asing) Sdn Bhd - JPMBL SA for Aviva Investors	4,578,523	0.73
13 Public Invest Nominees (Asing) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	4,348,409	0.69
14 Permodalan Nasional Berhad	3,405,779	0.54
15 HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	3,268,483	0.52
16 Hing Chin Hool	3,250,000	0.52
17 Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	2,729,010	0.43
18 Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Lim Chuan Seng	2,700,000	0.43
19 UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Siew Lai	2,415,000	0.38
20 Tee See Kim	2,316,300	0.37

THIRTY LARGEST WARRANTHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

	Name of Warrantholders	No. of Warrants	% of Warrants
21	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	2,118,838	0.34
22	Tan Hui Gek	2,080,395	0.33
23	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for CIMB Islamic Dali Equity Theme Fund	1,794,600	0.28
24	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB Bank for Khoo Chai Pek (MY1030)	1,659,021	0.26
25	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad for Kenanga Malaysian Inc Fund	1,461,100	0.23
26	Chang Tian Kwang	1,388,010	0.22
27	SWL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Dato' Chew Chee Kin	1,353,375	0.21
28	Citigroup Nominees (Tempatan) Sdn Bhd - Universal Trustee (Malaysia) Berhad for CIMB Islamic Dali Equity Fund	1,333,320	0.21
29	Dato' Chew Chee Kin	1,298,272	0.21
30	DB (Malaysia) Nominee (Asing) Sdn Bhd - SSBT Fund ZYEF for Vanguard Global Ex-U.S. Real Estate Index Fund	1,260,691	0.20

IMPROVING THE LIVES WE TOUCH

Sunway Medical Centre is a private tertiary hospital accredited by the Australian Council on Healthcare Standards, offering a comprehensive range of medical services. With a dedicated team of healthcare professionals and advanced medical equipment, the division strives to take its business to bigger, better horizons.

ANNUAL GENERAL MEETING

340 Notice of Ninth Annual General Meeting
- Proxy Form



NOTICE OF NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of SUNWAY BERHAD (921551-D) (“**the Company**”) will be held at Grand Congress, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 20 June 2019 at 3.00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors’ and Auditors’ Reports thereon.
(Please refer to Explanatory Note No. 1)
2. To approve the payment of Directors’ fees amounting to RM893,079.45 for the financial year ended 31 December 2018. *(Ordinary Resolution 1)*
3. To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from 21 June 2019 until the conclusion of the next Annual General Meeting of the Company. *(Ordinary Resolution 2)*
4. To re-elect the following Directors:-
 - 4.1 Tan Sri Datuk Seri Razman M Hashim who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers himself for re-election. *(Ordinary Resolution 3)*
 - 4.2 Dato’ Chew Chee Kin who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers himself for re-election. *(Ordinary Resolution 4)*
 - 4.3 Mr Wong Chin Mun who retires by rotation pursuant to Clause 106(1) of the Company’s Constitution and being eligible, offers himself for re-election. *(Ordinary Resolution 5)*
5. To re-appoint Messrs BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. ORDINARY RESOLUTION:

Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company’s Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

(Ordinary Resolution 7)

**7. ORDINARY RESOLUTION:
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 30 April 2019 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 ("**the Act**"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

(Ordinary Resolution 8)

**8. ORDINARY RESOLUTION:
Proposed Renewal of Share Buy-Back Authority**

"THAT subject to the Companies Act 2016 ("**the Act**"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of ordinary shares in the Company ("**Sunway Shares**") which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time, subject to a restriction that the share capital of the Company does not fall below the applicable minimum share capital requirements of the Main Market Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Sunway Shares shall not exceed the Company's retained profits at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting ("**AGM**") at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

NOTICE OF NINTH ANNUAL GENERAL MEETING

- (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company."

(Ordinary Resolution 9)

9. ORDINARY RESOLUTION:

Proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company ("Sunway Shares") in relation to the Dividend Reinvestment Scheme that provides the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in Sunway Shares

"THAT pursuant to the Dividend Reinvestment Scheme ("DRS") approved at the Extraordinary General Meeting held on 26 June 2014, approval be and is hereby given to the Company to allot and issue such number of new Sunway Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Sunway Shares shall be fixed by the Directors at not more than 10% discount to the adjusted 5-market day volume weighted average market price ("VWAP") of Sunway Shares immediately preceding the price-fixing date, of which the VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

(Ordinary Resolution 10)

By Order of the Board

TAN KIM AUN (MAICSA 7002988)
CHIN LEE CHIN (MAICSA 7012347)
 Company Secretaries

Bandar Sunway
 30 April 2019

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint more than 1 proxy to attend and vote instead of the member at the meeting. A proxy need not be a member.
2. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
3. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. Where a member appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his /her shareholdings to be represented by each proxy.
5. If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting in person, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the said meeting.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
8. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2019, shall be entitled to attend, speak and vote at the general meeting.

EXPLANATORY NOTES ON:**(i) Ordinary Business**

1. **To receive the Audited Financial Statements for the financial year ended 31 December 2018 together with the Directors' and Auditors' Reports thereon**

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provisions of Section 340(1) of the Companies Act 2016 ("**the Act**"). As such, this agenda will not be put for voting.

2. **Ordinary Resolution 1 - To approve the payment of Directors' fees amounting to RM893,079.45 for the financial year ended 31 December 2018**

The Company has adopted the following fees structure for its Non-Executive Directors ("**NEDs**"):-

BOARD/AUDIT COMMITTEE	CO-CHAIRMAN/ CHAIRMAN (RM/ANNUUM)	MEMBER (RM/ANNUUM)
Board	360,000	120,000
Audit Committee	6,000	3,000

The payment of the Directors' fees for the financial year ended 31 December 2018 will only be made if the Proposed Ordinary Resolution 1 has been approved at the Ninth Annual General Meeting ("**AGM**") pursuant to Clause 95 of the Company's Constitution and Section 230 of the Act.

3. **Ordinary Resolution 2 - To approve the payment of benefits payable to the NEDs from 21 June 2019 until the conclusion of the next AGM of the Company**

Pursuant to Section 230 of the Act, any fees and benefits payable to the NEDs of a listed company and its subsidiaries shall be approved at a general meeting. The benefits payable to the NEDs of the Company comprises meeting allowance of RM1,000 per meeting for attending the Board and Board Committee Meetings.

NOTICE OF NINTH ANNUAL GENERAL MEETING

4. Ordinary Resolutions 3 to 5 - To re-elect Tan Sri Datuk Seri Razman M Hashim, Dato' Chew Chee Kin and Mr Wong Chin Mun as Directors of the Company.

Clause 106(1) of the Company's Constitution provides that one-third or the number nearest to one-third of the Directors of the Company (including Managing Director) for the time being shall retire by rotation at each AGM of the Company. Each Director shall retire from office once at least in each three years but shall be eligible for re-election.

Tan Sri Datuk Seri Razman M Hashim, Dato' Chew Chee Kin and Mr Wong Chin Mun being eligible, have offered themselves for re-election at the Ninth AGM.

The Nomination Committee had assessed the performance of the retiring Directors and recommended them for re-election as Directors of the Company due to their vast experience and contribution to the Company. Their profiles are enclosed in pages 84 to 95 of the Company's 2018 Annual Report. The Board has endorsed the Nomination Committee's recommendation subject to the shareholders' approval at this AGM.

All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Nomination Committee and Board Meetings and will continue to abstain from deliberations and decisions on their own eligibility to stand for re-election at this AGM.

(ii) Special Business

5. Ordinary Resolution 7 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve the issue of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the total number of issued shares of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding future investments, working capital and/or any acquisition.

At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its Eighth Annual General Meeting held on 21 June 2018.

6. Ordinary Resolution 8 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 30 April 2019.

7. Ordinary Resolution 9 - Proposed Renewal of Share Buy-Back Authority

The details on the proposed renewal of Share Buy-Back authority by the Company are set out in the Share Buy-Back Statement dated 30 April 2019.

8. Ordinary Resolution 10 - Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in the Company in relation to the Dividend Reinvestment Scheme

This proposed Ordinary Resolution 10 will give authority to the Directors to allot and issue ordinary shares in the Company in respect of dividends to be declared, if any, under the Dividend Reinvestment Scheme, until the conclusion of the next AGM. A renewal of this authority will be sought at the subsequent AGM.

PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 (“**PDPA**”) which regulates the processing of personal data in commercial transactions, applies to Sunway Management Sdn Bhd, the share registrar of Sunway Berhad.

The personal data processed by Sunway Management Sdn Bhd may include your name, contact details, mailing address and any other personal data derived from any documentation.

Sunway Management Sdn Bhd may use or disclose your personal data to any person engaged for the purposes of issuing the above notice of meeting and convening the meeting.

Subject to the requirement under the PDPA, if you would like to make any enquiries on your personal data, please contact us at:

Address : Sunway Management Sdn Bhd
Level 16, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel No : (603) 5639 8889
Fax No : (603) 5639 9507

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PROXY FORM

Ninth Annual General Meeting

SUNWAY BERHAD (921551-D)
(Incorporated in Malaysia)
Registered Office:
Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel : (603) 5639 8889 / 5639 8841
Fax: (603) 5639 9507

Number of share(s) held	
CDS Account No.	

*I/We (Full Name) *NRIC No./Passport No./Company No.

Tel./Mobile No. of

being a member of SUNWAY BERHAD and entitled to vote hereby appoint:-

1ST PROXY 'A'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

and/or failing *him/her,

2ND PROXY 'B'

Full Name	Tel./Mobile No.	Proportion of shareholdings represented	
Address	NRIC No./Passport No.	No. of Shares	%

100%

or failing *him/her, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Ninth Annual General Meeting of the Company to be held at Grand Congress, Level 12, Sunway Resort Hotel & Spa, Persiaran Lagoon, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 20 June 2019 at 3.00 p.m. and at any adjournment thereof.

* Strike out whichever not applicable

My/our proxy/proxies shall vote as follows:-

Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/her/their discretion.

NO.	ORDINARY RESOLUTIONS	1 ST PROXY 'A'		2 ND PROXY 'B'	
		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' fees				
2.	To approve the payment of benefits payable to the Non-Executive Directors				
3.	To re-elect Tan Sri Datuk Seri Razman M Hashim as Director				
4.	To re-elect Dato' Chew Chee Kin as Director				
5.	To re-elect Mr Wong Chin Mun as Director				
6.	To re-appoint Messrs. BDO PLT as Auditors and to authorise the Directors to fix their remuneration				
7.	To authorise the issue of shares pursuant to Sections 75 and 76 of the Companies Act 2016				
8.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature				
9.	To approve the Proposed Renewal of Share Buy-Back Authority				
10.	To approve the Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in relation to the Dividend Reinvestment Scheme				

Dated this day of 2019

Common Seal

Signature of Member

NOTES:

- A member of the Company who is entitled to attend and vote at a general meeting of the Company, or at a meeting of any class of members, may appoint more than 1 proxy to attend and vote instead of the member at the meeting. A proxy need not be a member.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Where a member appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- If a member has appointed a proxy to attend a meeting and subsequently he/she attends such meeting in person, the appointment of such proxy shall be null and void, and his/her proxy shall not be entitled to attend the said meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof, either by hand, post, electronic mail or fax to (603) 5639 9507. In the case where the member is a corporation and the proxy form is delivered by fax or electronic mail, the original proxy form shall also be deposited at the Registered Office, either by hand or post not less than 24 hours before the time appointed for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2019, shall be entitled to attend, speak and vote at the general meeting.
- Please refer to the Company's Personal Data Notice in page 345 of the Annual Report 2018 in relation to Personal Data Privacy.

PLEASE FOLD HERE

STAMP

THE SHARE REGISTRAR
SUNWAY BERHAD (921551-D)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
47500 SUBANG JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PLEASE FOLD HERE

CORPORATE DIRECTORY

HEAD OFFICE

MENARA SUNWAY

Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

INVESTMENT HOLDING

SUNWAY BERHAD* (921551-D)

SUNWAY CITY SDN BHD* (87564-X)

SUNWAY HOLDINGS SDN BHD* (37465-A)

Head Office:

Level 17, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9507

SUNWAY CONSTRUCTION GROUP BERHAD* (1108506-W)

Head Office:

Level 8, Menara Sunway
Tel: (603) 5639 9696 Fax: (603) 5639 9601
Website: sunwayconstruction.com.my

INTEGRATED PROPERTIES DIVISION

PROPERTY DEVELOPMENT & INVESTMENT

SUNWAY INTEGRATED PROPERTIES SDN BHD* (112537-P)

SUNWAY SEMENYIH SDN BHD* (395056-T)

SUNWAY MONTEREZ SDN BHD* (531944-H)

SUNWAY D'MONT KIARA SDN BHD* (559638-V)

SUNWAY KIARA SDN BHD* (894742-A)

SUNWAY MELAWATI SDN BHD* (606358-V)

SUNWAY BELFIELD SDN BHD* (456798-V)

COMMERCIAL PARADE SDN BHD* (235996-P)

SUNWAY SUPPLY CHAIN ENTERPRISE SDN BHD* (395751-M)

EMERALD TYCOON SDN BHD* (554342-U)

Head Office:

Lobby, Level 3 & 5, Menara Sunway
Tel: (603) 5639 8888
Website: www.sunwayproperty.com

SUNWAY VELOCITY TWO SDN BHD (926309-U)

Jalan Peel, Maluri
55100 Kuala Lumpur
Tel: (603) - 2732 8028
Website: www.sunwayproperty.com

SUNWAY AVILA SDN BHD (1228449-W)

(Formerly known as Sunglobal Resources Sdn Bhd)
Jalan Seri Wangsa 1
Taman Sri Rampai,
53300 Kuala Lumpur
Tel: (603) - 4021 0245
Website: www.sunwayproperty.com

SUNWAY SUBANG SDN BHD (328670-X)

No 2, Jalan Delta U6/19,
Taman Perindustrian Sunway Subang,
Jalan Tudm, Kampung Subang Baru,
40150 Shah Alam, Selangor
Tel: (601) 7964 0822
Website: www.sunwayproperty.com

SUNWAY SOUTH QUAY SDN BHD* (636596-T)

SUNWAY MONASH-U RESIDENCE SDN BHD* (843281-X)

PROSPER REVENUE SDN BHD* (1036693-U)

Lobby, Level 3 & 5, Menara Sunway

Sunway South Quay Sales Gallery:

G-01-01, Sunway Geo Avenue
Jalan Lagoon Selatan
Bandar Sunway
47500 Selangor Darul Ehsan
Tel: (603) 5021 4588
Website: www.sunwayproperty.com

SUNWAY PKNS SDN BHD* (179182-V)

BISIKAN SENI SDN BHD* (383132-M)

CONTEMPORARY FACTOR SDN BHD* (381153-P)

EMERALD FREIGHT SDN BHD* (385026-M)

IMBASAN INTISARI SDN BHD* (386220-U)

PARK SYMPHONY SDN BHD* (387225-D)

TIDAL ELEGANCE SDN BHD* (387222-K)

Head Office:

Lobby, Level 3 & 5, Menara Sunway
Tel: (603) 5639 8888
Website: www.sunwayproperty.com

SUNWAY SERENE SDN BHD* (511429-A)

Lobby, Level 3 & 5, Menara Sunway

Sales Gallery:

Lot No. 72241, Jalan SS8/2,
Kelana Jaya,
47501 Petaling Jaya,
Selangor Darul Ehsan
Tel: (603) 7865 9870
Website: www.sunwayproperty.com

SUNWAY CITY (IPOH) SDN BHD (219749-M)

GANDA ANTIK SDN BHD (347795-M)

LAGOON FANTASY SDN BHD (207205-K)

PELUANG KLASIK (M) SDN BHD (354479-V)

SEMANGAT KANCIL (M) SDN BHD (355988-A)

SUNWAY HOTEL SERVICES (IPOH) SDN BHD (325648-P)

Corporate Office:

No. 52, Jalan SCI 1/3
Dataran Sunway, Sunway City Ipoh
31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 548 1998
Fax: (605) 548 6868
Email: suncityipoh@sunway.com.my

Sales Gallery:

Lost World Hotel, Ground Floor
No. 2, Persiaran Lagun Sunway 1
Sunway City Ipoh,
31150 Ipoh, Perak Darul Ridzuan, Malaysia
Tel: (605) 548 1998
Fax: (605) 548 6868
Email: suncityipoh@sunway.com.my

SUNWAY CITY (PENANG) SDN BHD (141336-U)

SUNWAY GRAND SDN BHD (66715-X)

SUNWAY BUKIT GAMBIER SDN BHD (616416-W)

SUNWAY BINTANG SDN BHD (238575-M)

SUNWAY TUNAS SDN BHD (334419-X)

ASSOCIATED CIRCLE SDN BHD (238151-V)

FAME PARADE SDN BHD (238148-V)

SUNWAY ORIENT SDN BHD (345649-U)

28, Jalan Anson, 10400 George Town
Pulau Pinang
Tel: (604) 684 8080 Fax: (604) 684 8180

SUNWAYMAS SDN BHD* (130027-K)

SUNWAY EASTWOOD SDN BHD* (795327-T)

SUNWAY TERMUNING SDN BHD* (649129-D)

SUNWAY RAWANG HEIGHTS SDN BHD* (157051-K)

SUNWAY KANCHING HEIGHTS SDN BHD* (76395-P)

DAKSINA HARTA SDN BHD* (915269-T)

Head Office:

Lobby, Level 3 & 5, Menara Sunway
Tel: (603) 5639 8888
Email: sunwaymasenq@sunway.com.my
Website: www.sunwayproperty.com

SUNWAY BANGI SDN BHD* (215920-W)

Lobby, Level 3 & 5, Menara Sunway

Sales Gallery:

C-12-G, Plaza Paragon Point,
43650 Bandar Baru Bangi, Selangor
Tel: (603) 8912 6484

SUNWAY ISKANDAR DEVELOPMENT SDN BHD (1019469-K)

SUNWAY ISKANDAR SDN BHD (964451-A)

SUNWAY MARKETPLACE SDN BHD (1146301-T)

SUNWAY PARKVIEW SDN BHD (1146740-W)

SUNWAY SEAFRONT SDN BHD (1147352-T)

Corporate office:

Sunway Southern Region Office
Level 7, Hab Citrine,
Sunway Citrine, Sunway Iskandar
Persiaran Medini 3
Bandar Medini Iskandar
79250 Iskandar Puteri
Johor Darul Takzim
Tel: (607) 509 8800 Fax: (607) 509 7211
Website: www.sunwayiskandar.com

Sales Gallery:

Lot G-01, Hab Citrine
Persiaran Medini 3
Medini Iskandar
79250 Iskandar Puteri, Johor Darul Takzim, Malaysia
Tel: (607) 509 6575

SUNWAY CITY (JB) SDN BHD (896512-M)

Sales Gallery:

Persiaran Lenang Utama
Sunway Bukit Lenang
81100 Johor Bahru, Johor
Tel: (601) 6790 4663

CHINA:

SUNWAY GUANGHAO REAL ESTATE (JIANGYIN) CO. LTD

Office:

YiFangCheng Unit 20#201, No. 2888, PuJiang Road
Lingang Street, Jiangyin
Jiangsu Province, 214400 China
Tel: +86 510 8688 0873

Sales Gallery:

YiFangCheng Commercial Unit 369, Xiangjiang Road
Lingang Street, Jiangyin
Jiangsu Province, 214400 China
Tel: +86 510 8610 3333

SUNWAY (TIANJIN) MANAGEMENT CONSULTANCY CO., LTD

Corporate Office:

Unit 801-802, Level 8, The Landmark, eco-Business Park
No. 1620, Zhongtian Road, Sino-Singapore Tianjin Eco-City
Tianjin 300467, China
Tel No: +86 022 5895 0205
Fax No: +86 022 5999 9590

TIANJIN ECO-CITY SUNWAY PROPERTY

DEVELOPMENT CO., LTD (56611336-2)

Project Office:

Unit 801-802, Level 8, The Landmark
Eco-Business Park
No. 1620, Zhongtian Road
Sino-Singapore Tianjin Eco-City, Tianjin 300467, China
Tel: +86 022 5999 9589 Fax: +86 022 5999 9590

SUNWAY REAL ESTATE (CHINA) LIMITED (1244034)

Unit 1601, 16/F, Malaysia Building
50 Gloucester Road, Wanchai, Hong Kong
Tel: (852) 2384 9322 Fax: (852) 2771 0143

INDIA:

SUNWAY OPUS INTERNATIONAL PVT LTD

(U70102AP2007PTC05084)

Sunway Opus Grand, Survey Nos. 162p & 164
Ameenpur, Off Miyapur - Bachupally Road
Hyderabad-502 032, Andhra Pradesh, India
Tel: (+91) 40 2303 8888 Fax: (+91) 40 2303 8008

SUNWAY MAK INTERNATIONAL PRIVATE LIMITED

(U45209AP2007PTC056739)

Survey Nos. 162p & 164, Ameenpur
Off Miyapur - Bachupally Road
Hyderabad - 502 032
Andhra Pradesh, India
Tel: (+91) 40 2303 8888 Fax: (+91) 40 2303 8008

AUSTRALIA:

SUNWAY AUSTRALIA UNIT TRUST*

HARTFORD LANE PTY LTD* (ACN077261048)

Level 3, Menara Sunway

SINGAPORE:

SUNWAY DEVELOPMENTS PTE LTD (200408542H)

65 Ubi Road 1, #01-62 Oxley Bizhub
408729 Singapore
Tel: (+65) 6582 8089 Fax: (+65) 6581 0482

PROPERTY MANAGEMENT & INVESTMENT

SUNWAY REIT MANAGEMENT SDN BHD* (806330-X)

(Manager for Sunway Real Estate Investment Trust)
Level 15, Menara Sunway
Tel: (603) 5639 8888 Fax: (603) 5639 8001
Website: www.sunwayreit.com

SUNWAY PYRAMID

Centre Management Office
Level CP6, Blue Atrium, Sunway Pyramid
No. 3 Jalan PJS 11/15, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7494 3000 Fax: (603) 7492 6333
Website: www.sunwaypyramid.com

SUNWAY PUTRA MALL

Centre Management Office
6-2, Sunway Putra Mall
No.100, Jalan Putra
50350 Kuala Lumpur, Malaysia
Tel: (603) 2786 9300 Fax: (603) 2786 9499
Website: www.sunwayputramall.com

SUNWAY CARNIVAL MALL

Centre Management Office, LG-68, Sunway Carnival Mall
3068, Jalan Todak, Pusat Bandar Seberang Jaya
13700 Seberang Jaya, Penang, Malaysia
Tel: (604) 397 9888 Fax: (604) 397 9883
Website: www.sunwaycarnival.com

SUNCITY (IPOH) HYPERMARKET

No. 2, Jalan SCI 2/2, Bandar Sunway Ipoh
31150 Ipoh, Perak Darul Ridzuan, Malaysia

SUNWAY PUTRA TOWER

Management Office, Unit 4.5, Level 4,
Menara Sunway Annexe
Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8888 Fax: (603) 5639 9595

SUNWAY TOWER

Management Office
Ground Floor, Sunway Tower, 86, Jln Ampang
50450 Kuala Lumpur, Malaysia
Tel: (603) 2032 4100 Fax: (603) 2070 4093

CORPORATE DIRECTORY

SUNWAY FACILITY MANAGEMENT SDN BHD (443028-K)**SUNWAY IFM SDN BHD** (130231-P)**SUNWAY PARKING SERVICES SDN BHD** (643825-X)**SUNWAY GEO PARKING SDN BHD** (238182-V)

Centre Management Office
Level CP6, Blue Atrium, Sunway Pyramid
No. 3 Jalan PJS 11/15, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7494 3000 Fax: (603) 7492 6333

SUNWAY MALL PARKING SDN BHD (318333-T)

Centre Management Office
6-2, Sunway Putra Mall
No. 100, Jalan Putra
50350 Kuala Lumpur, Malaysia
Tel: (603) 2786 9300 Fax: (603) 2786 9499

SUNWAY DESTINY SDN BHD (443511-H)**SUNWAY MUSC SDN BHD** (545957-T)**SUNWAY RESIDENCE SDN BHD** (538641-W)**SUNWAY PINNACLE SDN BHD** (895562-K)**SUNWAY PFM SDN BHD** (218317-K)**SUNWAY PYRAMID DEVELOPMENT SDN BHD** (926145-W)**SUNWAY CENTURY SDN BHD** (883253-V)**SUNWAY REM SDN BHD** (542070-M)**SUNWAY TRANSIT SYSTEM SDN BHD** (864610-D)**SUNWAY SYMPHONY SDN BHD** (769617-T)**SUNWAY AMBIENCE SDN BHD** (767918-W)**SUNWAY TOWNHOUSE SDN BHD** (444689-T)**SUNWAY GEO SDN BHD** (1250295-A)**SUMBER DORONGAN SDN BHD** (384876-P)**SUNWAY TOWER 1 SDN BHD** (545935-D)**SUNWAY SUSTAINABILITY SOLUTIONS SDN BHD** (1242676-U)**SUNWAY PERMAI SDN BHD** (318333-T)**RICH WORLDCLASS SDN BHD** (866558-X)**GALAXY AVENUE SDN BHD** (434068-K)**REPTOLINK SDN BHD** (432747-P)

Unit 4.5, Level 4 East Lobby, Menara Sunway Annexe
Jalan Lagoon Timur, Bandar Sunway
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SUNWAY NEXIS PARKING SDN BHD (383756-D)

D-B1-02, Sunway Nexis, No. 1, Jalan PJU 5/1
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SUNWAY VELOCITY MALL SDN BHD (767400-H)

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SUNWAY LOST WORLD WATER PARK SDN BHD (240342-P)**LOST WORLD OF TAMBUN**

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SUNWAY LAGOON CLUB BERHAD (185477-W)

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(Accounts Dept)
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PYRAMID BOWL SDN BHD (397399-M)

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SUNWAY INTERNATIONAL VACATION CLUB SDN BHD (644585-X)

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SUNWAY HEALTHY LIFESTYLE SDN BHD (689476-X)

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SUNWAY TRAVEL SDN BHD (158589-D) (KPL: 0210)

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SUNWAY RESORT HOTEL SDN BHD (182198-M)**SUNWAY RESORT HOTEL & SPA****PYRAMID TOWER HOTEL****SUNWAY CLIO HOTEL****THE VILLAS****THE DUPLEX**

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47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
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MALAYSIA OFFICES & BRANCHES

SUNWAY MARKETING SDN BHD* (110342-X)**SUNWAY HOSE CENTRE SDN BHD*** (350617-H)**SUNWAY ARCHITECTURAL PRODUCTS SDN BHD*** (146551-W)**SUNWAY HYDRAULIC INDUSTRIES SDN BHD*** (103260-H)**BUILDTREND B.S.G (M) SDN BHD*** (68350-H)**Head Office:**

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Sibu

No. 1B & 3A, Lorong 37
Jalan Ding Lik Kong
96000 Sibu, Sarawak, Malaysia
Tel: (6084) 216 955 / 214 552 / 213 378 Fax: (6084) 219 950

Miri

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Permy Technology Park
Kuala Baram Land District
98000 Miri, Sarawak, Malaysia
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Tawau

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Jalan Ind Megah 2, Mile 4 ½, Jalan Tiku
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Taman IKS, Simpang Ampat
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Sandakan

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22km, Jalan Tuaran, Pekan Telipok
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Miri

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Branches:**Klang**

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Kuantan

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Tel: (84) 3636 3300
Email: sunwayvn@sunflex.com.sg

INDIA:**SUNWAY OPUS INTERNATIONAL TRADING PRIVATE LIMITED*** (U51909AP2010FTC069882)

Registered address:
1st Floor, Block "A" Palace View Estate
8-2-120, Road No. 2, Banjara Hills
Hyderabad, 500 034, Andhra Pradesh, India

Head Office:

Level 11, Menara Sunway
Tel: (603) 5639 9997 Fax: (603) 5639 9522

BUILDING MATERIALS DIVISION**SUNWAY PAVING SOLUTIONS SDN BHD*** (77490-W)

Head Office:
3.2, Level 3, Menara Sunway
Website: www.sunwaypavingsolutions.com

Sales Office:

Tel: (603) 5639 9916 / 9325
Fax: (603) 5639 9600

Nibong Tebal

Tel: (604) 593 8697/8
Fax: (604) 593 8695

Senai

Tel: (607) 599 5553
Fax: (607) 599 3827

Marang

Tel: (609) 617 3924 / 925
Fax: (609) 617 3923

Factory:**Batang Kali**

Lot No. 10071, Mukim Batang Kali
44300 Daerah Ulu Selangor
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 2407 Fax: (603) 6057 2423

Nibong Tebal

Lot No. 2788, 2796 & 2797, Lorong Industri 3
Kawasan Perindustrian Bukit Panchor
Mukim 7, 14300 Nibong Tebal, Seberang Perai Selatan
Penang, Malaysia
Tel: (604) 593 8697/8 Fax: (604) 593 8695

Senai

PLO 6, Jalan Lapangan Terbang
Fasa 1, Kawasan Perindustrian Senai
81400 Senai, Johor Darul Takzim, Malaysia
Tel: (607) 599 6055 Fax: (607) 598 1373

Marang

No. Lot 61601, Kawasan Perindustrian Bukit Kor
21600, Mukim Rusila, Marang, Terengganu Darul Iman
Tel: (609) 617 3924 / 925 Fax: (609) 617 3923

SUNWAY PAVING SOLUTIONS (SABAH) SDN BHD*

(192044-U)
(Formerly known as Telipok Concrete Sdn Bhd)
3.2, Level 3, Menara Sunway
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600

Sales Office:

Kota Kinabalu
Tel: (6088) 787 169
Fax: (6088) 787 169

Factory:

Kota Kinabalu Mile 17½, Kampung Bakut, Jalan Tuaran
89208 Tuaran, Sabah, Malaysia
Tel: (6088) 787 169 Fax: (6088) 787 169

SUNWAY VCP SDN BHD* (205881-A)

3.2, Level 3, Menara Sunway
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600
Website: www.sunway.com.my/sunwayvcp/

Sales Office:

Klang
Tel: (603) 3291 5288
Fax: (603) 3291 5388

Factory:

Klang
Lot 6489 & 6490, Off 6th Mile, Jalan Kapar
42100 Klang, Selangor Darul Ehsan, Malaysia
Tel: (603) 3291 5288 Fax: (603) 3291 5388

SUNWAY SPUN PILE (M) SDN BHD* (411837-T)

3.2, Level 3, Menara Sunway
Tel: (603) 5639 8282 (General Line) Fax: (603) 5639 9600

Sales Office:

Batang Kali
Tel: (603) 6057 3868
Fax: (603) 6057 9868

Factory:

Batang Kali
Lot No. 10071, Mukim Batang Kali
44300 Daerah Ulu Selangor
Selangor Darul Ehsan, Malaysia
Tel: (603) 6057 3868 Fax: (603) 6057 9868

SUNWAY SPUN PILE (ZHUHAI) CO. LTD

Xin Gang Zone, Bai Jiao Science Technology Industrial Park
DouMen District, ZhuHai City, Guangdong Province, China
Zip: 519120
Tel: (86) 0756 523 2666 Fax: (86) 0756 523 2883 / 523 2028
Website: www.sunwayzh.com

QUARRY DIVISION**SUNWAY QUARRY INDUSTRIES SDN BHD*** (110401-A)

SUNWAY QUARRY (KUALA KANGSAR) SDN BHD*
(221592-V)

SUNWAY QUARRY INDUSTRIES (MELAKA) SDN BHD*
(4271-D)

TWINNERS (MALAYSIA) SDN BHD* (278622-A)

Level 6, Menara Sunway
Tel: (603) 5639 8887 Fax: (603) 5639 9839

Kajang

Lot 7990, Off Jalan Sg. Jelok
Mukim Semenyih, 43000 Kajang
Selangor Darul Ehsan, Malaysia
Tel: (6019) 217 8139

Rawang

PT 11894, 12139 & 12054
Mukim Rawang, Daerah Gombak
Selangor Darul Ehsan, Malaysia
Tel: (6019) 239 5974

Cheras

Kompartment 11
(Quarry)
Hutan Simpan Sungai Lalang & Hutan Simpan Hulu Langat
Mukim Ulu Langat, District of Ulu Langat
Selangor Darul Ehsan, Malaysia
Tel: (6019) 347 7276

Cheras

PT 6711, Mukim Hulu Langat (Sungai Mukau)
(Asphalt)Selangor Darul Ehsan, Malaysia
Tel: (6019) 278 6494

Semenyih

Lot 7144, Mukim Semenyih
Daerah Hulu Langat
43650 Selangor Darul Ehsan, Malaysia
Tel: (6019) 320 3691

CORPORATE DIRECTORY

Bukit Perak

HSD13, PT1865
Mukim Padang Peliang
Daerah Pendang
Tempat Bukit Perak
06750 Kedah Darul Aman, Malaysia
Tel: (6019) 271 9750

Bukit Mertajam

No. 769, Berapit Road
14000 Bukit Mertajam
Seberang Prai Tengah,
Pulau Pinang, Malaysia
Tel: (604) 530 0839 / (6019) 225 1311
Fax: (604) 530 4388

Sungai Bakap

Lot 20074 HSD 46027, Lot 20075 HSD 46028 and
Lot 20076 HSD 46029
Mukim 12, 42000 Seberang Perai Selatan
Pulau Pinang, Malaysia
Tel: (604) 582 0226 Fax: (604) 582 1287

Kuala Kangsar

Lot 1979, Jalan Lenggong
33020 Kati, Kuala Kangsar
Perak Darul Ridzuan, Malaysia
Tel: (605) 7511 832 Fax: (605) 7512 833

Kampar

Lot 45154, Mukim Kampar
Daerah Kampar
Perak Darul Ridzuan, Malaysia
Tel : (6016) 234 6853

Kemaman

PT 8627, Mukim Teluk Kalung
24000, Kemaman
Terengganu Darul Iman, Malaysia
Tel: (6019) 271 5823

Melaka

19th Mile, Lesong Batu
Alor Gajah, 78000 Melaka, Malaysia
P.O. Box 66, Alor Gajah
78000 Melaka, Malaysia
Tel: (606) 5568 255 Fax: (606) 5561 482

Ulu Choh

No. 263, T.JUP 12, Jalan Ulu Pulai
Bt. 22 2/4, Jalan Johor, Pekan Nanas
81150 Pontian, Johor Darul Takzim, Malaysia
Tel: (607) 6792 190 / 91 Fax : (607) 6792 190 / 91

Masai

Mukim Plentong, Lot No. 80705
Masai, Johor Darul Takzim, Malaysia
Tel: (6019) 262 3204

HEALTHCARE DIVISION**SUNWAY MEDICAL CENTRE SDN BHD** (341855-X)

No. 5, Jalan Lagoon Selatan, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNMED CLINICS SDN BHD (843658-D)**SUNMED CLINIC @ SUNWAY PYRAMID**

CP2.01, Sunway Pyramid Mall
No 3, Jalan PJS 11/15
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 0121/0151 Fax: (603) 7491 0161
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNMED@HOME SDN BHD (635467-K)**HOME-CARE SERVICES**

No. 5, Jalan Lagoon Selatan, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNWAY TCM CENTRE

B1-02-01, Sunway GEO, No. 5, Jalan Lagoon Selatan
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNMED VELOCITY SDN BHD (210146-H)**SUNWAY VELOCITY MEDICAL CENTRE**

Lingkar SV, Sunway Velocity
55100 Kuala Lumpur, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNWAY SPECIALIST CENTRE SDN BHD (1275891-D)**SUNWAY DAMANSARA SPECIALIST CENTRE**

B-G-01, B-G-02, B-G-03, Sunway Nexis, Jalan PJU5/1
Kota Damansara, 47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

SUNWAY MEDICAL CENTRE (SINGAPORE) PTE LTD

(201813890-K)
Royal Square (Novena)#09-01
101 Irrawaddy Road, 329565 Singapore
Tel: (603) 7491 9191 Fax: (603) 7491 8181
Email: smc@sunway.com.my
Website: www.sunway.com.my/sunmed

FINANCIAL & INSURANCE SERVICES**SUNWAY CREDIT SDN BHD*** (80767-A)**SUNWAY LEASING SDN BHD*** (35433-X)**SWL NOMINEES (TEMPATAN) SDN BHD*** (388808-U)**SUNWAY RISK MANAGEMENT SDN BHD*** (130211-V)

Level 5, Menara Sunway
Tel: (603) 5639 9299 Fax: (603) 5639 9608 / 9

SUNWAY CAPTIVE INSURANCE LTD (LL07119)

Lot 3, 2nd Floor
Lazenda Phase 3 Shophouse
Off Jalan OKK Abdullah, 87000 Labuan

SECRETARIAL, SHARE REGISTRATION & MANAGEMENT SERVICES**SUNWAY MANAGEMENT SDN BHD*** (50661-X)**SUNWAY MANAGEMENT SERVICES SDN BHD*** (785546-K)

(Formerly known as Allison International Hotels & Resorts Sdn Bhd)
Level 16, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9507

SHARED SERVICES CENTRE**SUNWAY SHARED SERVICES SDN BHD*** (603026-A)**SUNWAY QUANTUM SDN BHD*** (1178170-K)

(formerly known as Sunway Ordera Sdn Bhd)
Level 4.3, Menara Sunway
Tel: (603) 5639 8822 Fax: (603) 5639 9293
Website: www.sunway.com.my

SUNWAY HR SHARED SERVICES SDN BHD* (559031-P)

Level 5, Menara Sunway
Tel: (603) 5639 9693

SUNWAY FSSC SDN BHD* (602138-H)

Level 10, Menara Sunway
Tel: (603) 5639 8989 Fax: (603) 5639 9524

OTHERS**SUNWAY SUPPLY CHAIN ENTERPRISE SDN BHD***

(395751-M)
Level 1, Menara Sunway
Tel: (603) 5639 8003 Fax: (603) 5639 9560

SUNWAY TREASURY SDN BHD* (434005-W)**SUNWAY TREASURY SUKUK SDN BHD*** (1088200-V)

Level 17, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9566

SUNWAY PALS LOYALTY SDN BHD* (914000-K)

Level 12, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 8233

DECO STYLE SDN BHD* (71273-V)

Level 5, Menara Sunway
Tel: (603) 5639 6007 Fax: (603) 5639 9539

SUNWAY MONEY SDN BHD* (1220176-V)

Level 14, Menara Sunway
Tel: (603) 5639 8889 Fax: (603) 5639 9566

SUNWAY SOUTHERN MANAGEMENT SDN BHD* (1036708-K)**SUNWAY PENDAS MANAGEMENT SDN BHD*** (1066085-A)

Level 3, Menara Sunway
Tel: (603) 5639 8888 Fax: (603) 5639 9992

SUNWAY DESIGN SDN BHD (145218-T)

Unit 2.5, Level 2, Menara Sunway Annexe
Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5639 8868 Fax: (603) 5639 8838

SUNWAY LEADERSHIP CENTRE SDN BHD* (1184599-V)

Unit 1.4, Level 1, Menara Sunway
Tel: (603) 5639 8831

PASIR MAS HOLDINGS SDN BHD (187905-H)

PT 9312, Bandar Sunway, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 5611 6993/ (603) 5639 4439

SUNWAY VENTURES SDN BHD* (456451-P)**MONUMENTAL PRODUCTIONS SDN BHD*** (1202323-K)**SUNWAY POPBOX SDN BHD*** (622890-M)**SUNWAY PHARMA SDN BHD*** (802483-M)

Level 1, Menara Sunway
Tel: (603) 5639 8888

COMPANIES MARKED WITH ASTERISK (*) ARE
LOCATED AT MENARA SUNWAY

Sunway Group Website: www.sunway.com.my

SUNWAY BERHAD (921551-D)
Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia.

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