

financial statement

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directors' report

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 year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property development and investment, and investment holding.

The principal activities of the subsidiary and associated companies are:-

- (i) property development and investment;
- (ii) operation of hotels, theme park and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities; and
- (v) operation of a medical centre.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	7,895	40,772
Taxation	(15,397)	(4,736)
(Loss)/profit after taxation	(7,502)	36,036
Minority interests	11,442	-
Profit for the year	3,940	36,036
Retained profit brought forward		
As previously reported	17,938	153,166
Prior year adjustment	10,773	-
As restated	28,711	153,166
Profit available for appropriation	32,651	189,202
Less: Dividend	(6,093)	(6,093)
Transfer to capital redemption reserve	(870)	-
Retained profit carried forward	25,688	183,109

There were no material transfers to or from reserves or provisions during the year other than those disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

directors' report *(cont'd)*

DIVIDEND

The Company has accrued a 6.6% cumulative dividend (net of tax) amounting to RM6,093,000 in respect of the current financial year for its 6.6% cumulative convertible preference shares which were issued on 24 February 2000.

An amount of RM3,564,000 in respect of the above has been paid during the financial year.

SHARE CAPITAL

During the year, the authorised share capital of the Company of RM1,000,000,000 comprising 1,000,000,000 ordinary shares of RM1.00 each was altered to comprise 800,000,000 ordinary shares of RM1.00 each and 200,000,000 preference shares of RM1.00 each. Following the alteration, the issued and paid-up share capital of the Company was increased from RM300,000,000 to RM448,199,000 by the issuance of the following shares:-

- (a) 40,000,000 new ordinary shares of RM1.00 each at RM1.80 per share for cash;
- (b) 108,000,000 6.6% cumulative convertible preference shares of RM1.00 each at par per share for cash; and
- (c) 199,000 new ordinary shares of RM1.00 each were issued to eligible employees of the Group under the Employees' Share Option Scheme at RM1.74 per share for cash.

Proceeds arising from the above issues were utilised to reduce the Group's borrowings and for additional working capital.

EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme ("Scheme") was approved by the shareholders at an Extraordinary General Meeting held on 10 December 1999.

The main features of the Scheme are:-

- (a) Eligible persons are employees of the Group (including full time Executive Directors) who have been confirmed in the employment of the Group for a continuous period of at least one year as at the offer date and falling within any categories of employees as set out in Clause 6 and who are eligible to participate in the Scheme pursuant to Clause 5 of the Bye-Laws. The selection for participation in the Scheme shall be at the absolute discretion of the Option Committee appointed by the Board of Directors.
- (b) The maximum number of new shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the Scheme.
- (c) No option shall be granted for less than 1,000 ordinary shares or more than 500,000 ordinary shares to any individual eligible employee.
- (d) The option price shall be the average of the mean market quotation of the shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days immediately preceding the offer date, or at par value of the shares of the Company, whichever is higher.
- (e) The Scheme shall be in force for a period of five years from the offer date, subject to any extension as may be approved by the relevant authorities.

directors' report *(cont'd)*

EMPLOYEES' SHARE OPTION SCHEME (cont'd)

- (f) The options granted may be exercised at any time within a period of five years from the offer date of the options granted based on seniority, performance and length of service and the offer shall be valid for acceptance by an employee for a period of thirty days before the expiry of the options.
- (g) The options granted may be exercised in the following manner:-

Number of options granted	Percentage of Total Options Exercisable				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100%	-	-	-	-
20,000 to less than 100,000	40%*	30%	30%#	-	-
100,000 and above	20%	20%	20%	20%	20%

* 40% or 20,000 options, whichever is higher

30% or the remaining number of options unexercised

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years provided that no options shall be exercised beyond the date of expiry of the Scheme.

DIRECTORS

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

Tan Sri Dato' Seri Dr. Cheah Fook Ling
Dato' Razman M Hashim
Tan Sri Dato' IR. Talha Bin Haji Mohd Hashim
Ngian Siew Siong
Ngeow Voon Yean
Low Siew Moi
Wong Choon Kee
Teo Tong How
Teo Cheng Hiang, Richard

(Appointed on 15.4.2000)
(Appointed on 18.4.2001)
(Appointed as Director on 23.3.2001;
Ceased as Alternate Director to
Dr. Seek Ngee Huat on 23.3.2001)
(Resigned on 18.4.2001)
(Resigned on 18.4.2001)
(Resigned on 23.3.2001)

Dato' Chew Chee Kin
Dato' Haji Othman Bin Mohd Taib
Dr. Seek Ngee Huat

In accordance with Article 79(1) of the Company's Articles of Association, Tan Sri Dato' IR. Talha Bin Haji Mohd Hashim and Ngeow Voon Yean retire by rotation from the Board at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 78(2) of the Company's Articles of Association, Teo Cheng Hiang, Richard and Teo Tong How retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

directors' report *(cont'd)*

DIRECTORS' INTEREST IN SHARES

The following Directors who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act 1965, an interest in shares of the Company, as stated below:

	No. of Ordinary Shares of RM1 each			
	As at 1.1.00	Bought	Sold	As at 31.12.00
Tan Sri Dato' Seri Dr. Cheah Fook Ling *	111,363,209	13,580,500	–	124,943,709
	10,823,251	–	–	10,823,251
Tan Sri Dato' IR Talha Bin Haji Mohd Hashim	10,000	–	–	10,000
Dato' Razman M Hashim	30,000	–	–	30,000
Dato' Chew Chee Kin	10,000	–	–	10,000
Dato' Haji Othman Bin Mohd Taib	1,529,921	–	–	1,529,921
Ngian Siew Siong	10,000	–	–	10,000

* Denotes deemed interest

	Options over Ordinary Shares of RM1 each			
	As at 1.1.00	Granted During the year	Exercised	As at 31.12.00
Dato' Razman M Hashim	–	400,000	–	400,000
Ngian Siew Siong	350,000	–	–	350,000
Ngeow Voon Yean	300,000	–	–	300,000

The options over shares are pursuant to the Company's Employees' Share Option Scheme.

By virtue of his interest in shares of the Company, Tan Sri Dato' Seri Dr. Cheah Fook Ling is also deemed to have an interest in the shares of all other subsidiary companies of the Company to the extent that the Company has an interest.

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 Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with a 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 for Tan Sri Dato' Seri Dr. Cheah Fook Ling and Dato' Razman M Hashim who may be deemed to derive a benefit by virtue of those transactions, products, parts and other properties or any interest in any properties; and/or for the provision of services including but not limited to management and consultancy services, and/or provision of construction contracts, leases and tenancy; and/or the provision of treasury functions, advances and conduct of normal trading and/or other businesses and construction contracts respectively between the Company and its related corporations and corporations in which Tan Sri Dato' Seri Dr. Cheah Fook Ling and Dato' Razman M Hashim are deemed to have an interest.

directors' report *(cont'd)*

SIGNIFICANT EVENTS COMPLETED DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 38 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements and consolidated financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

directors' report *(cont'd)*

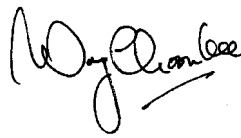
AUDITORS

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

On behalf of the Board,



**TAN SRI DATO'SERI
DR. CHEAH FOOK LING**
DIRECTOR



WONG CHOON KEE
DIRECTOR

Petaling Jaya, Selangor Darul Ehsan
19 April 2001

statement by directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, TAN SRI DATO' SERI DR. CHEAH FOOK LING and WONG CHOON KEE, being two of the Directors of SUNWAY CITY BERHAD, do hereby state that in the opinion of the Directors, the financial statements set out on pages 28 to 71 are drawn up in accordance with approved accounting standards in Malaysia so as to give a true and fair view of:

- (i) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results of the business of the Group and of the Company for the year ended on that date; and
- (ii) the cash flows of the Group and of the Company for the year ended 31 December 2000.

On behalf of the Board,



**TAN SRI DATO' SERI
DR. CHEAH FOOK LING
DIRECTOR**

Petaling Jaya, Selangor Darul Ehsan
19 April 2001



**WONG CHOON KEE
DIRECTOR**

statutory declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

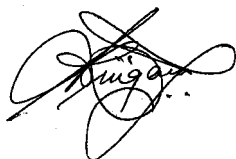
I, WONG CHOON KEE, being the Director primarily responsible for the financial management of SUNWAY CITY BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 28 to 71 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously 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 WONG CHOON KEE at Petaling Jaya in the State of Selangor Darul Ehsan on 19 April 2001



WONG CHOON KEE

Before me,



**DAVID LINGAM A/L S. SOCKALINGAM
COMMISSIONER FOR OATHS
19 April 2001**

report of the auditors to the members

We have audited the financial statements set out on pages 28 to 71. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act 1965 and approved accounting standards in Malaysia so as to give a true and fair view of:-
 - (i) the state of affairs of the Group and of the Company as at 31 December 2000 and of the results and cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements and consolidated financial statements.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of subsidiary companies for which we have not acted as auditors as indicated in Note 39 to the financial statements, being financial statements which are included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies are not subject to any qualification and do not include any comment required to be made under Section 174(3) of the Companies Act 1965.



ERNST & YOUNG
AF: 0039
Public Accountants



See Huey Beng
1495/03/03(J)
Partner

Kuala Lumpur, Malaysia
19 April 2001

balance sheets

AS AT 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000 (Restated)	2000 RM'000	1999 RM'000
PROPERTY, PLANT AND EQUIPMENT	4	967,039	1,002,507	50,273	52,677
INVESTMENT PROPERTIES	5	369,340	376,474	20,240	20,240
LAND HELD FOR DEVELOPMENT	6	313,232	306,020	-	-
SUBSIDIARY COMPANIES	7	-	-	880,590	630,905
ASSOCIATED COMPANIES	8	16,777	14,372	19,860	18,038
GOODWILL ON CONSOLIDATION	9	9,245	-	-	-
CURRENT ASSETS					
Properties under development	10	184,440	203,529	28,964	34,202
Inventories	11	16,233	12,338	4,382	1,591
Trade debtors	12	60,297	44,920	11,146	8,811
Other debtors, deposits and prepayments	13	23,210	18,967	8,122	9,036
Fixed deposits with licensed banks		64,420	4,965	-	-
Cash and bank balances	14	52,654	75,752	6,434	2,359
		401,254	360,471	59,048	55,999
CURRENT LIABILITIES					
Trade creditors	15	69,745	60,708	17,992	16,227
Other creditors and accruals	16	215,330	165,458	29,644	18,603
Bank borrowings	17	67,485	130,851	11,732	17,486
Hire purchase and lease creditors	18	4,653	1,241	1,320	1,109
Dividend payable		2,529	-	2,529	-
Taxation		9,076	1,483	3,411	-
		368,818	359,741	66,628	53,425
NET CURRENT ASSETS/(LIABILITIES)		32,436	730	(7,580)	2,574
		1,708,069	1,700,103	963,383	724,434

The annexed notes form an integral part of these financial statements.

balance sheets *(cont'd)*

AS AT 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000 (Restated)	2000 RM'000	1999 RM'000
FINANCED BY:					
SHARE CAPITAL	19	448,199	300,000	448,199	300,000
SHARE PREMIUM	20	110,363	78,216	110,363	78,216
RESERVES	21	48,567	53,061	183,109	153,166
		<hr/>			
SHAREHOLDERS' FUNDS		607,129	431,277	741,671	531,382
MINORITY INTERESTS	22	352,769	160,715	–	–
LONG TERM BANK BORROWINGS	23	588,316	784,788	186,400	182,200
LONG TERM LIABILITIES	24	83,255	224,535	31,000	5,130
ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARY COMPANIES	25	62,954	81,189	–	–
HIRE PURCHASE AND LEASE CREDITORS	18	11,235	14,378	1,906	2,506
DEFERRED TAXATION	26	2,411	3,221	2,406	3,216
		<hr/>			
		1,708,069	1,700,103	963,383	724,434
		<hr/>			

The annexed notes form an integral part of these financial statements.

income statements

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000 (Restated)	2000 RM'000	1999 RM'000
REVENUE	27	480,304	479,586	64,448	215,017
COST OF SALES		(193,853)	(198,936)	(23,335)	(87,223)
GROSS PROFIT		286,451	280,650	41,113	127,794
OTHER OPERATING INCOME		32,290	22,941	41,689	19,882
DISTRIBUTION COSTS		(22,230)	(22,460)	(1,317)	(639)
ADMINISTRATION EXPENSES		(96,672)	(79,384)	(15,749)	(3,391)
OTHER OPERATING EXPENSES		(140,718)	(114,240)	(10,194)	(8,039)
PROFIT FROM OPERATIONS	28	59,121	87,507	55,542	135,607
FINANCE COSTS	29	(51,592)	(63,960)	(14,770)	(16,232)
SHARE OF PROFIT/(LOSS) FROM ASSOCIATED COMPANIES		366	(2,344)	-	-
PROFIT BEFORE TAXATION		7,895	21,203	40,772	119,375
TAXATION	30	(15,397)	(1,063)	(4,736)	(46)
(LOSS)/PROFIT AFTER TAXATION		(7,502)	20,140	36,036	119,329
MINORITY INTERESTS		11,442	(5,299)	-	-
PROFIT AFTER TAXATION AND MINORITY INTEREST		3,940	14,841	36,036	119,329

The annexed notes form an integral part of these financial statements.

income statements *(cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000 (Restated)	2000 RM'000	1999 RM'000
RETAINED PROFIT BROUGHT FORWARD					
As previously reported		17,938	12,814	153,166	33,837
Prior year adjustment	31	10,773	7,289	–	–
As restated		28,711	20,103	153,166	33,837
PROFIT AVAILABLE FOR APPROPRIATION		32,651	34,944	189,202	153,166
DIVIDEND	32	(6,093)	–	(6,093)	–
TRANSFER TO CAPITAL REDEMPTION RESERVE		(870)	(6,233)	–	–
RETAINED PROFIT CARRIED FORWARD		25,688	28,711	183,109	153,166
(Loss)/earnings per share (sen)	33	(0.64)	4.95		

The annexed notes form an integral part of these financial statements.

statements of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2000

GROUP

	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Exchange reserve RM'000	Revenue reserve RM'000	Total RM'000
At 1 January 1999							
- As previously reported		300,000	78,216	12,378	4,303	12,814	407,711
- Prior year adjustment	31	-	-	-	(105)	7,289	7,184
- As restated		300,000	78,216	12,378	4,198	20,103	414,895
Eliminated upon disposal of shares in subsidiary companies		-	-	-	(866)	-	(866)
Currency translation differences		-	-	-	2,407	-	2,407
Transfer from/(to) reserves		-	-	6,233	-	(6,233)	-
Profit for the year		-	-	-	-	14,841	14,841
At 31 December 1999		300,000	78,216	18,611	5,739	28,711	431,277
At 1 January 2000		300,000	78,216	18,611	5,739	28,711	431,277
Issue of shares							
- 6.6% cumulative convertible preference shares		108,000	-	-	-	-	108,000
- ordinary shares		40,000	32,000	-	-	-	72,000
- ordinary shares under the Employees' Share Option Scheme		199	147	-	-	-	346
Currency translation differences		-	-	-	(2,341)	-	(2,341)
Transfer to/(from) reserves		-	-	870	-	(870)	-
Profit for the year		-	-	-	-	3,940	3,940
Dividend		-	-	-	-	(6,093)	(6,093)
At 31 December 2000		448,199	110,363	19,481	3,398	25,688	607,129

The annexed notes form an integral part of these financial statements.

statement of changes in equity *(cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2000

COMPANY

	Share capital RM'000	Share premium RM'000	Revenue reserve RM'000	Total RM'000
At 1 December 1999	300,000	78,216	33,837	412,053
Profit for the year	-	-	119,329	119,329
At 31 December 1999	300,000	78,216	153,166	531,382
Issue of shares				
- 6.6% cumulative convertible preference shares	108,000	-	-	108,000
- ordinary shares	40,000	32,000	-	72,000
- ordinary shares under the Employees' Share Option Scheme	199	147	-	346
Profit for the year	-	-	36,036	36,036
Dividend	-	-	(6,093)	(6,093)
At 31 December 2000	448,199	110,363	183,109	741,671

The annexed notes form an integral part of these financial statements.

cash flow statements

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		465,225	465,429	36,850	45,043
Payments to suppliers and contractors		(176,961)	(135,431)	(18,932)	(18,196)
Payment of operating expenses		(177,815)	(137,216)	(10,011)	(10,525)
Cash generated from operations		110,449	192,782	7,907	16,322
Interest paid		(41,834)	(65,010)	(12,677)	(16,232)
Taxation paid		(7,207)	(8,666)	(908)	-
Net cash generated from/(used in) operating activities		61,408	119,106	(5,678)	90
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		1,355	11,771	223	4
Proceeds from disposal of development land/properties		-	616	14,588	-
Capital expenditure	(a)	(24,943)	(54,530)	(1,761)	(16)
Expenditure on land held for development		(11,105)	(7,487)	-	-
Addition in investment properties		(4,250)	-	-	-
Proceeds from disposal of subsidiary companies		-	1,706	-	-
Arising from acquisition of additional shares in subsidiary company		(13,394)	-	-	-
Payment of expenses in connection with divestment of subsidiary company		(7,500)	-	(7,500)	-
Investment in subsidiary companies		-	-	(222,894)	(4)
Repayment from/(to) subsidiary companies		-	-	91,450	(20,379)
Advances to subsidiary companies		-	-	(9,684)	(3,788)
Interest received from subsidiary companies		-	-	15,226	5,928
Dividends received from subsidiary companies		-	-	7,993	6,077
Dividends received from associated companies		1,058	2,096	1,058	2,096
Increase in associated company indebtedness		(2,043)	(3,157)	(1,822)	(2,125)
Net cash used in investing activities		(60,822)	(48,985)	(113,123)	(12,207)

The annexed notes form an integral part of these financial statements.

cash flow statements *(cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issuance of:					
– ordinary shares		72,346	–	72,346	–
– preference shares		108,000	–	108,000	–
(Repayment)/drawdown of term loans		(263,992)	2,311	(4,000)	(3,000)
(Repayment)/drawdown of other bank borrowings		(11,200)	36,598	–	20,000
Advances from minority shareholders of subsidiary companies		8,171	4,602	–	–
Repayment to long term creditors		(64,631)	(46,877)	(51,056)	–
Advances from directors of subsidiary companies		1,393	89	–	–
Equity contribution by minority shareholders of subsidiary companies		178,149	1,758	–	–
Payments to hire purchase and lease creditors		(4,255)	(1,802)	(1,296)	(1,017)
Dividend paid		(3,564)	–	(3,564)	–
Net cash generated from/(used in) financing activities		20,417	(3,321)	120,430	15,983
NET INCREASE IN CASH AND CASH EQUIVALENTS		21,003	66,800	1,629	3,866
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		75,106	8,306	73	(3,793)
CASH AND CASH EQUIVALENTS AT END OF YEAR	(b)	96,109	75,106	1,702	73

The annexed notes form an integral part of these financial statements.

cash flow statements *(cont'd)*

FOR THE YEAR ENDED 31 DECEMBER 2000

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
(a) CAPITAL EXPENDITURE				
Acquired by way of:-				
- Cash	24,943	54,530	1,761	16
- Hire purchase and lease	4,524	12,477	906	195
- Accruals/transferred in	11,962	26,039	2,216	50,064
	<u>41,429</u>	<u>93,046</u>	<u>4,883</u>	<u>50,275</u>
(b) CASH AND CASH EQUIVALENTS				
Cash and bank balances	52,654	75,752	6,434	2,359
Fixed deposits with licenced banks	64,420	4,965	-	-
Bank overdrafts	(20,965)	(5,611)	(4,732)	(2,286)
Cash and cash equivalents	<u>96,109</u>	<u>75,106</u>	<u>1,702</u>	<u>73</u>

The annexed notes form an integral part of these financial statements.

notes to the financial statements

31 DECEMBER 2000

1. BASIS OF ACCOUNTING

The financial statements of the Group and of the Company are prepared under the historical cost convention and comply with approved accounting standards issued by the Malaysian Accounting Standards Board.

In prior years, the share of losses by a minority shareholder of a subsidiary company was restricted to its share of equity interest in the subsidiary company. The said minority shareholder has been providing its proportionate share of funds to the subsidiary company to enable the latter to meet its funding requirements. This consideration was inadvertently omitted in the preparation of financial statements in prior years. Accordingly, a prior year adjustment ("PYA") has been effected in the current year financial statements to account for the effect arising from additional losses to be borne by the minority shareholder. The PYA has the effect of decreasing the minority interests and increasing the Group's profit after taxation and minority interests in the income statements for 1999 by RM3,484,000 each and exchange reserve by RM477,000 and increasing the Group's retained profit brought forward as at 1 January 1999 by RM7,289,000 and decreasing exchange reserve brought forward as at 1 January 1999 by RM105,000. The advances from the minority shareholders in the balance sheet as at 31 December 1999 have accordingly decreased by RM11,145,000.

2. GENERAL

The registered office is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business is located at Level 3, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are those of property development and investment, and investment holding.

The principal activities of the subsidiary and associated companies are:-

- (i) property development and investment;
- (ii) operation of hotels, theme park and related activities;
- (iii) rendering recreational club facilities;
- (iv) operation of travel, tour business and related activities; and
- (v) operation of a medical centre.

The Company is a limited liability company and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The financial statements are expressed in Ringgit Malaysia.

The number of employees as at 31 December 2000 for the Group is 2,846 (1999: 2,747) and for the Company is 169 (1999: 145).

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies, using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' assets and liabilities are determined and these values are reflected in the consolidated financial statements. Intra group transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The difference between the consideration paid for shares in a subsidiary company and the fair value of attributable net assets acquired is reflected as goodwill or reserve on consolidation, as appropriate.

Goodwill on consolidation is amortised over a period of twenty (20) years. However, the goodwill will be written down if the Directors are of the opinion that there is a permanent diminution in value.

A subsidiary company is a company in which the Company controls the composition of its Board of Directors and more than half of its voting powers or holds more than half of its issued ordinary share capital.

(b) Associated Companies

An associated company is an investee company that is not a subsidiary company and in which the Group has a long term equity interest of between 20% to 50% and where the Group is in a position to exercise significant influence over the financial and commercial policies of the investee through Board representation.

The Group accounts for its share of post-acquisition results and reserves of associated companies based on the latest audited or management financial statements of the companies concerned.

The Group's share of results and reserves of associated companies acquired or disposed of is included in the consolidated financial statements from the date of acquisition and up to the date of disposal.

(c) Investments

Investments in subsidiary companies, associated companies and other long term investments are stated at cost. These investments are written down only when the Directors are of the opinion that there is a permanent diminution in value.

Trading investments are stated at lower of cost or market value.

Transfers, if any, between long term and trading investments are made at the lower of carrying value and market value.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to the income statement.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Stocks

Trading stocks are stated at the lower of cost and net realisable value after adequate provision for damaged, obsolete and slow moving items. Cost is determined on the weighted average method.

Stocks of completed properties are stated at the lower of cost and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest costs incurred during the development period.

(e) Trade Debtors

Trade debtors are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(f) Property, Plant, Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation.

Freehold land and capital work-in-progress are not depreciated. Leasehold land and buildings are amortised evenly over the lease periods ranging from 66 to 99 years.

Other property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. The principal annual rates used are as follows:-

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

Additional depreciation is provided on assets which are impaired to reduce the asset values to their recoverable amounts.

Operating assets comprise linen, crockery, cutlery and utensils which are initially purchased to form the base stock required for the hotel and restaurant operations, are stated at cost and not depreciated. Subsequent purchases to maintain the level of the operations are dealt with through the income statement.

Gain and losses on disposal of property, plant and equipment are determined by reference to the difference between the sale proceeds and their carrying amount and are taken into account in determining the profit from operations.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Hotel Properties

Hotel properties which comprise freehold and leasehold land and buildings are stated at cost.

No depreciation is provided on hotel properties as the Group will maintain the hotel properties in such condition that they are not impaired by the passage of time. Consequently, their residual values are anticipated to be equal or higher than their carrying values in the financial statements. The maintenance expenditure incurred on hotel properties is dealt with in the income statement.

The carrying values are written down when the Directors are of the opinion that there is a permanent diminution in value.

(h) Investment Properties

The Group regards investment properties as land and buildings that are held for their investment potential and rental income.

Investment properties of the Group are stated at cost unless there is a permanent diminution in value, in which case the carrying amount of the investment properties will be reduced to recognise such a decline. The permanent decline in value is recognised in the income statement.

(i) Land Held for Development

Land held for development consists of land held for future development and where no significant development has been undertaken.

Land held for development is stated at cost which includes land cost, incidental costs of acquisition, development expenditure and interest costs to put the land in a condition ready for development.

Such assets are transferred to development properties when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

(j) Development Properties

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as development properties.

Development properties are stated at cost, and where appropriate, include attributable profit less progress payments received and receivable. Cost includes land cost, development expenditure and interest costs relating to the development and an allocation of common project expenses.

(k) Deferred Expenditure

These expenses, which were previously deferred, have been written off to the income statement during the year.

(l) Provisions

Provisions are recognised when the Company or the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Leases and Hire Purchase

Assets acquired under finance lease and hire purchase contracts are capitalised as property, plant and equipment and depreciated accordingly.

Outstanding obligations due under the finance lease and hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. The finance expenses of the lease rental and hire purchase instalments are dealt with through the income statement over the periods of the respective agreements.

(n) Deferred Taxation

Deferred taxation is provided on timing differences using the liability method except where it can be demonstrated with reasonable probability that the tax deferrals will continue in the foreseeable future.

Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(o) Interest Capitalisation

Interest incurred on borrowings related to property, plant and equipment, development properties, land held for development and investment properties are capitalised during the period activities to plan, develop and construct the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use or sale.

(p) Revenue Recognition

Revenue from sale of development properties is recognised based on the percentage of completion method, where outcome of the development projects can be reliably estimated. Any foreseeable loss on a development project is provided in full.

Dividend income arising from investments in subsidiary companies is recognised when the right to receive payment is established.

Rental income and interest income are recognised on the accrual basis unless collectibility is in doubt, in which case, they are recognised on receipt basis.

Revenue from room rental and club subscription fees are recognised on the accrual basis.

Revenue from sale of food and beverage, pharmacy and medical supplies are recognised based on their invoiced value of goods sold.

Revenue from medical services rendered is recognised upon performance of services, net of discounts where applicable.

Entrance fees to the theme park and ticketing sales from the operation of the monorail are recognised when tickets are sold.

Revenue from travel and tour operations is recognised based on the invoiced value of airline tickets and tour packages.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Foreign Currencies

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at the time of each transaction or, where settlement had not taken place at 31 December, at rates of exchange ruling at that date or at contracted rates, as applicable. Exchange differences arising on long term inter-company advances that, in substance, form part of an enterprise's net investment in a foreign subsidiary are taken directly to exchange reserve. All other exchange differences arising are dealt with through the income statement.

Assets, liabilities and trading results of foreign subsidiary companies are translated to Ringgit Malaysia at the approximate rates of exchange ruling at the balance sheet date, except for share capital, reserves and goodwill in group companies which are included at historical rates. All exchange differences on translation are taken directly to an exchange reserve account.

The closing rates used in the translation of foreign currency amounts as at balance sheet date are as follows :

	2000 RM	1999 RM
United States Dollar 1.00	3.8250	3.8250
Australian Dollar 1.00	2.1230	2.4755
Hong Kong Dollar 1.00	0.5000	0.5000

(r) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, against which the bank overdraft balances, if any, are deducted.

notes to the financial statements (cont'd)

31 DECEMBER 2000

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Hotel properties RM'000	Freehold land RM'000	Leasehold land and buildings RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Operating assets RM'000	Capital work-in progress RM'000	Total	
										2000 RM'000	1999 RM'000
COST											
At beginning of year	315,350	16,957	148,031	125	337,370	6,580	187,960	16,112	126,457	1,154,942	1,079,150
Exchange adjustments	(2,415)	-	(6,133)	-	(11,258)	(88)	-	-	(258)	(20,152)	7,305
Additions	11,127	-	9,313	90	6,140	1,637	9,605	21	3,496	41,429	93,046
Disposals/write-offs	-	-	-	(1)	(3,677)	(515)	(2,477)	(9)	-	(6,679)	(22,278)
Reclassifications/Adjustments	2	-	40,580	-	60,976	-	(408)	(21)	(101,576)	(447)	-
Transfer to investment properties	-	-	-	-	-	-	-	-	-	-	(2,281)
At end of year	324,064	16,957	191,791	214	389,551	7,614	194,680	16,103	28,119	1,169,093	1,154,942
ACCUMULATED DEPRECIATION											
At beginning of year	-	-	7,534	84	80,664	4,934	59,219	-	-	152,435	110,969
Exchange adjustments	-	-	(361)	-	(2,675)	(64)	-	-	-	(3,100)	906
Charge for the year	-	-	3,790	22	26,158	916	23,825	-	-	54,711	45,480
Disposals/write-offs	-	-	-	-	-	(451)	(1,541)	-	-	(1,992)	(4,677)
Reclassifications/Adjustments	-	-	-	-	-	-	-	-	-	-	(243)
At end of year	-	-	10,963	106	104,147	5,335	81,503	-	-	202,054	152,435
NET BOOK VALUE											
At 31 December 2000	324,064	16,957	180,828	108	285,404	2,279	113,177	16,103	28,119	967,039	-
At 31 December 1999	315,350	16,957	140,497	41	256,706	1,646	128,741	16,112	126,457	-	1,002,507

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

COST

	Land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Total 2000 RM'000	Total 1999 RM'000
At beginning of year	2,798	2,728	2,083	4,779	50,064	62,452	12,195
Additions	-	2,833	982	1,068	-	4,883	50,275
Reclassification	-	50,064	-	-	(50,064)	-	-
Disposals/write-offs	-	(3,677)	(273)	(11)	-	(3,961)	(18)
At end of year	2,798	51,948	2,792	5,836	-	63,374	62,452

ACCUMULATED DEPRECIATION

At beginning of year	596	2,728	1,814	4,637	-	9,775	9,546
Charge for the year	51	2,852	244	451	-	3,598	245
Disposals/write-offs	-	-	(262)	(10)	-	(272)	(16)
At end of year	647	5,580	1,796	5,078	-	13,101	9,775

NET BOOK VALUE

At 31 December 2000	2,151	46,368	996	758	-	50,273	-
At 31 December 1999	2,202	-	269	142	50,064	-	52,677

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Included in capital work-in-progress of the Group and of the Company is interest capitalised for the year amounting to RM Nil (1999 : RM5,781,359) and RM Nil (1999 : RM 2,629,992) respectively.

Certain hotel properties, plant and equipments with net book value totalling RM634,784,000 (1999: RM752,529,000) have been pledged to financial institutions as security for term loans granted to the subsidiary companies.

Assets costing RM20,646,000 (1999 : RM13,491,000) and RM1,154,000 (1999 : RM118,000) of the Group and of the Company respectively were acquired under hire purchase and lease arrangements. Details of which are as follows:-

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Motor vehicles	1,289	857	971	118
Equipment, furniture and fittings	19,357	12,634	183	-
	<u>20,646</u>	<u>13,491</u>	<u>1,154</u>	<u>118</u>

5. INVESTMENT PROPERTIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At cost:-				
Long term leasehold land and buildings	369,340	376,474	20,240	20,240

The investment properties of the Group and of the Company costing RM81,132,000 (1999: RM372,396,000) and RM14,960,000 (1999: RM14,960,000) respectively are pledged to banks as collateral for term loan and revolving credit facilities granted to the Company and certain subsidiary companies.

The Directors are of the view that the fair values of the properties held at the balance sheet date are not significantly different from carrying amount shown in the financial statements.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

6. LAND HELD FOR DEVELOPMENT

	Group	
	2000	1999
	RM'000	RM'000
At cost:-		
Freehold land	117,867	110,583
Long term leasehold land	131,238	135,757
Development expenditure	64,127	59,680
	<u>313,232</u>	<u>306,020</u>

Included in development expenditure is interest capitalised for the year amounting to RM2,434,000 (1999 : RM4,299,000).

A parcel of freehold land of a subsidiary company costing RM10,219,000 (1999: RM10,219,000) is pledged to a bank for revolving credit facility granted to the Company.

Long term leasehold land of certain subsidiary companies costing RM79,527,000 (1999: RM75,903,000) are pledged to banks for revolving credit and term loan facilities granted to the Company and subsidiary companies.

7. SUBSIDIARY COMPANIES

	Company	
	2000	1999
	RM'000	RM'000
Unquoted shares, at cost	441,093	218,199
Less : Provision for diminution in value	(7,140)	(7,140)
	<u>433,953</u>	<u>211,059</u>
Amounts owing by subsidiary companies	478,453	453,827
Amounts owing to subsidiary companies	(31,816)	(33,981)
	<u>880,590</u>	<u>630,905</u>

Amounts owing by subsidiary companies are stated net of provision for doubtful debts of RM49,194,000 (1999: 49,190,000).

Amounts owing by/(to) subsidiary companies are unsecured, bear interest at rates ranging from 1.00% to 8.80% (1999: 1.00% to 9.31%) per annum and have no fixed term of repayment.

Details of the subsidiary companies are set out in Note 39 to the financial statements.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

8. ASSOCIATED COMPANIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares, at cost	22,428	22,428	18,905	18,905
Share of post-acquisition reserves	(1,739)	(1,047)	-	-
	20,689	21,381	18,905	18,905
Less : Provision for diminution in value	-	-	(2,500)	(2,500)
	20,689	21,381	16,405	16,405
Elimination of unrealised profits on				
- Sale of land to associated company	(7,455)	(7,455)	-	-
- Services rendered by the Company	(1,640)	(1,640)	-	-
Amounts due from associated companies	5,183	2,212	3,455	1,633
Amounts due to associated companies	-	(126)	-	-
	16,777	14,372	19,860	18,038

Details of the associated companies are set out in Note 39 to the financial statements.

The Group's interests in the associated companies are analysed as follows:-

	Group	
	2000 RM'000	1999 RM'000
Share of net tangible assets	20,689	21,381

The amount due from the associated companies is stated net of provision for doubtful debt of RM1,190,000 (1999: RM25,000).

9. GOODWILL ON CONSOLIDATION

	Group	
	2000 RM'000	1999 RM'000
At beginning of year	-	-
Arising from acquisition of additional shares in subsidiary companies	9,732	-
Less: Amortisation	(487)	-
At end of year	9,245	-

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

10. PROPERTIES UNDER DEVELOPMENT

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At cost:				
Freehold land	85,071	79,231	-	-
Long term leasehold land	86,020	83,746	31	37
Development expenditure	387,091	325,889	48,921	94,599
	558,182	488,866	48,952	94,636
Attributable profits	96,956	90,042	5,521	16,555
	655,138	578,908	54,473	111,191
Progress billings	(470,698)	(375,379)	(25,509)	(76,989)
	184,440	203,529	28,964	34,202

Included in development expenditure of the Group are retention sums amounting to RM10,247,000 (1999: RM9,852,000).

11. INVENTORIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At cost:-				
Developed properties	7,007	3,414	4,377	1,568
Trading stocks	6,233	6,029	-	-
Food and beverages	1,512	1,521	-	-
Consumables	1,481	1,374	5	23
	16,233	12,338	4,382	1,591

12. TRADE DEBTORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Amounts receivable	70,000	56,419	13,833	12,813
Less : Provision for doubtful debts	(9,703)	(11,499)	(2,687)	(4,002)
	60,297	44,920	11,146	8,811

notes to the financial statements (cont'd)

31 DECEMBER 2000

13. OTHER DEBTORS, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Other debtors	24,576	16,616	9,445	7,063
Deposits	5,168	3,640	2,233	2,271
Prepayments	2,667	2,001	267	355
Taxation recoverable	1,895	1,407	1,490	1,407
	<hr/>	<hr/>	<hr/>	<hr/>
	34,306	23,664	13,435	11,096
Less : Provision for doubtful debts	(11,096)	(4,697)	(5,313)	(2,060)
	<hr/>	<hr/>	<hr/>	<hr/>
	23,210	18,967	8,122	9,036

Included in other debtors of the Group and of the Company are amounts due from member companies of Sunway Holdings Incorporated Berhad ("Suninc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM5,004,200 (1999: RM3,549,600) and RM3,841,600 (1999: RM2,612,000) respectively which are unsecured and have no fixed term of repayment. These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in Suninc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

14. CASH AND BANK BALANCES

Included in cash and bank balances of the Group and of the Company are balances amounting to RM34,987,000 (1999 : RM64,460,000) and RM6,129,000 (1999 : RM Nil) respectively held under the Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

15. TRADE CREDITORS

Included in trade creditors of the Group and of the Company are amounts due to member companies of Sunway Holdings Incorporated Berhad ("Suninc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM32,496,000 (1999: RM28,869,600) and RM6,394,900 (1999: RM12,098,000) respectively, of which RM12,420,000 and RM1,595,000 of the Group and of the Company bear interest at 7% (1999: Nil) per annum and they are all unsecured and have no fixed term of repayment. These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in Suninc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

16. OTHER CREDITORS AND ACCRUALS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Other creditors	35,857	57,664	6,022	10,373
Amount due to contractors and consultants	107,119	37,115	17,502	2,482
Accruals	48,757	48,341	1,617	943
Refundable deposits	23,597	22,338	4,503	4,805
	<u>215,330</u>	<u>165,458</u>	<u>29,644</u>	<u>18,603</u>

Included in amount due to contractors and consultants of the Group and the Company are amounts due to member companies of Sunway Holdings Incorporated Berhad ("Suninc") Group and PRK Builders Sdn. Bhd. ("PRK") of RM73,262,000 (1999: RM18,301,000) and RM6,529,000 (1999: RM Nil) respectively, of which RM52,765,000 and RM2,297,000 of the Group and of the Company bear interest at 7% (1999: Nil) per annum and they are all unsecured and have no fixed term of repayment. These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in Suninc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company.

17. BANK BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Bank overdrafts				
- secured	8,567	-	-	-
- unsecured	12,398	5,611	4,732	2,286
Revolving credit- unsecured	7,000	11,000	7,000	11,000
Trade bills - secured	26,962	34,162	-	-
Current portion of (Note 23)				
- term loans	12,558	75,878	-	-
- revolving credits	-	4,200	-	4,200
	<u>67,485</u>	<u>130,851</u>	<u>11,732</u>	<u>17,486</u>

The bank overdrafts, revolving credits and trade bills of the Group and the Company are secured by mortgages on land and assets as well as fixed and floating charges on assets of certain subsidiary companies of RM805,662,000 (1999: RM1,211,047,000) and RM14,960,000 (1999: RM14,960,000) respectively as disclosed in Notes 4, 5 and 6 to the financial statements.

The bank overdrafts bear interest at rates ranging from 7.65% to 8.80% (1999 : 8.30% to 9.65%) per annum.

The revolving credit bears interest at rates ranging from 4.50% to 8.55% (1999 : 5.30% to 13.50%) per annum.

The trade bills bear interest at rates ranging from 4.81% to 5.78% (1999 : 4.81% to 5.78%) per annum.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

18. HIRE PURCHASE AND LEASE CREDITORS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Gross amounts payable within :				
1 year	6,343	4,687	1,949	1,606
More than 1 year but not later than 2 years	6,247	4,450	1,947	1,596
More than 2 years but not later than 5 years	9,160	8,505	855	2,389
	21,750	17,642	4,751	5,591
Less : Interest in suspense	(5,862)	(2,023)	(1,525)	(1,976)
	15,888	15,619	3,226	3,615
Less : Portion in current liabilities	(4,653)	(1,241)	(1,320)	(1,109)
	11,235	14,378	1,906	2,506

Included in the amount owing to hire purchase and lease creditors is a lease arrangement for an air conditioning system from a subsidiary company of Sunway Holdings Incorporated Berhad, Sunway Leasing Sdn. Bhd. ("SLSB"), amounting to approximately RM3,420,000 (1999 : RM3,420,000). The above transaction is entered into at arms' length and at terms mutually agreed by both the parties. SLSB is deemed to be related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in both Sunway Holdings Incorporated Berhad and the Company.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

19. SHARE CAPITAL

	Group/Company	
	2000	1999
	RM'000	RM'000
Authorised:		
800,000,000 ordinary shares of RM1.00 each		
At beginning of the year	1,000,000	1,000,000
Altered during the year	(200,000)	-
At end of the year	800,000	1,000,000
200,000,000 6.6% cumulative convertible preference shares of RM1.00 each		
At beginning of the year	-	-
Altered during the year	200,000	-
At end of the year	200,000	-
	1,000,000	1,000,000
Issued and fully paid:		
340,199,000 ordinary shares of RM1.00 each		
At beginning of the year	300,000	300,000
Issued during the year	40,000	-
Issued under the Employees' Share Option Scheme	199	-
At end of the year	340,199	300,000
108,000,000 6.6% cumulative convertible preference shares of RM1.00 each		
At beginning of the year	-	-
Issued during the year	108,000	-
At end of the year	108,000	-
	448,199	300,000

The 6.6% cumulative convertible preference shares confer on the holders the right to cumulative preferential dividends of 6.6% (net of tax) which rank in priority to ordinary shares. The shares are convertible into ordinary shares three (3) years after the issue date of 24 February 2000 at a conversion price of RM1.80 per share and shall rank pari-passu in all respects with other ordinary shares in issue on the conversion date.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

20. SHARE PREMIUM

	Group/Company	
	2000	1999
	RM'000	RM'000
At beginning of year	78,216	78,216
Arising from issuance of ordinary shares	32,000	-
Arising from issuance of ordinary shares under the Employees' Share Option Scheme	147	-
At end of the year	<u>110,363</u>	<u>78,216</u>

21. RESERVES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Non distributable reserves:				
(i) Capital reserve				
At beginning of year	18,611	12,378	-	-
Transfer from revenue reserve on redemption of preference shares in a subsidiary company	870	6,233	-	-
At end of year	<u>19,481</u>	<u>18,611</u>	-	-
(ii) Exchange reserve				
At beginning of year	5,367	4,303	-	-
Prior year adjustment (Note 31)	372	(105)	-	-
As restated	<u>5,739</u>	<u>4,198</u>	-	-
Translation of foreign subsidiary companies' financial statements	2,848	592	-	-
Arising from the disposal of subsidiary companies	-	(866)	-	-
Translation of long term advances to foreign subsidiary companies	(5,189)	1,815	-	-
At end of year	<u>3,398</u>	<u>5,739</u>	-	-
Total non-distributable reserves	22,879	24,350	-	-

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

21. RESERVES (cont'd)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Distributable reserve :				
Retained profit	25,688	28,711	183,109	153,166
TOTALRESERVES	48,567	53,061	183,109	153,166

Capital reserve represents share premium arising from shares issued by a subsidiary company to minority shareholders and the creation of capital redemption reserve by a subsidiary company.

Based on estimated tax credits available and the prevailing tax rate applicable to dividends as at 31 December 2000, the entire revenue reserve of the Company is available for distribution by way of dividends without the Company having to incur additional tax liability.

22. MINORITY INTERESTS

Included in minority interests is the 5% cumulative redeemable preference shares "A" issued to minority shareholders of a subsidiary company amounting to RM45,845,000. These shares confer on the holders the right to cumulative preferential dividends of 5% which rank in priority to ordinary dividends.

Also included in minority interests is the redeemable preference shares issued to minority shareholders of a subsidiary company amounting to RM4,800,000. These shares shall confer on the holders the right on a winding up or other return of capital (other than on the redemption of preference shares) to receive, in priority to the holders of any other class of shares in the capital of the Company repayment in full of the nominal amount of that preference shares. These shares are redeemable at their initial issue price at any time after the issue date of 24 February 2000.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

23. LONG TERM BANK BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Term loans				
- secured				
- Type 1	11,000	14,250	-	-
- Type 2	83,750	95,000	-	-
- Type 3	210,000	450,000	-	-
- Type 4	27,494	27,494	-	-
- Type 5	33,923	27,512	-	-
- unsecured				
- Type 6	21,230	37,133	-	-
- Type 7	27,077	27,077	-	-
	414,474	678,466	-	-
Revolving credit (secured)	186,400	186,400	186,400	186,400
	600,874	864,866	186,400	186,400
Less: Amounts repayable within 12 months (Note 17)				
- term loans	(12,558)	(75,878)	-	-
- revolving credit	-	(4,200)	-	(4,200)
Amounts repayable after 12 months	588,316	784,788	186,400	182,200

Details of the term loans outstanding are as follows:-

	Group	
	2000 RM'000	1999 RM'000
Amounts repayable within:-		
1 year after balance sheet date	12,558	75,878
More than 1 year but not later than 2 years	122,348	137,911
More than 2 years but not later than 5 years	71,152	387,029
More than 5 years	208,416	77,648
	414,474	678,466

The term loans and revolving credits of the Group and of the Company are secured by legal charges on land and hotel properties as well as fixed and floating charges on assets of certain subsidiary companies amounting to RM805,662,000 (1999: RM1,211,047,000) and RM14,960,000 (1999: RM14,960,000) respectively.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

23. LONG TERM BANK BORROWINGS (cont'd)

Details of the terms of repayment are as follows:-

Loan	Subsidiary Company	Repayment Term	Commencing Date
Type 1	Sunway Hotel (Penang) Sdn. Bhd.	7 years	December 1996
Type 2	Sunway Lagoon Sdn. Bhd.	-	(Note 1)
Type 3	Sunway Resort Hotel Sdn. Bhd.	10 years	June 2001
Type 4	Sunway Hotel (Seberang Jaya) Sdn. Bhd.	7 years	January 2001
Type 5	Sunway Medical Centre Sdn. Bhd.	8 years	January 2002
Type 6	Estonia Enterprises Ltd.	4 years	March 1999
Type 7	Sunway Hotel Phnom Penh, Ltd	5 years	March 2001

The above borrowings bear interest at rates ranging from 4.65% to 9.95% (1999 : 4.80% to 11.37%) per annum.

Note 1 The subsidiary company is currently negotiating with the bank to refinance the term loan via the arrangement of a RM100 million Private Debt Securities Programme, comprising a RM100 million Guaranteed Commercial Papers/Medium Term Notes Programme. The Directors are confident that the refinancing will be successful and accordingly, the entire amount is reflected as long term liability.

Revolving credits which are due to be repaid within the next twelve months but are expected to be rolled over are treated as long term liabilities. Subsequent to the financial year end, certain of those revolving credits which matured between the year end and the date of this report were renewed.

24. LONG TERM LIABILITIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Amounts due to directors of subsidiary companies	3,255	1,862	-	-
Amounts payable to contractors	80,000	222,673	31,000	5,130
	<u>83,255</u>	<u>224,535</u>	<u>31,000</u>	<u>5,130</u>

The amounts due to directors of subsidiary companies are unsecured, interest free and have no fixed term of repayment.

The amounts payable to contractors are included as long term liabilities as the contractors have agreed not to demand repayment within the next 12 months.

The amounts payable to contractors of the Group and of the Company of RM80,000,000 (1999 : RM220,286,000) and RM31,000,000 (1999: RM5,130,000) respectively are amounts due to member companies of Sunway Holdings Incorporated Berhad ("Suninc") Group and PRK Builders Sdn. Bhd. ("PRK"). These companies are deemed related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in Suninc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company. The balances are unsecured, bear interest at 7% (1999: RM Nil) per annum and have no fixed term of repayment.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

25. ADVANCES BY MINORITY SHAREHOLDERS OF SUBSIDIARY COMPANIES (UNSECURED)

Advances of RM10,519,800 bear interest at a rate of 2% (1999 : RM42,171,600 at 2%) per annum and the remaining balance is interest free. These advances are unsecured and have no fixed term of repayment.

26. DEFERRED TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At beginning of year	3,221	3,221	3,216	3,216
Transfer to income statement (Note 30)	(810)	-	(810)	-
At end of year	2,411	3,221	2,406	3,216

The Group and the Company have provided for deferred taxation in respect of both current and cumulative timing differences.

27. REVENUE

Group

Turnover comprises a proportion of contracted sales revenue determined by reference to the percentage of completion of the development properties, rental income from letting of properties, the invoiced value of services rendered and goods supplied.

Company

Turnover comprises a proportion of contracted sales revenue determined by reference to the percentage of completion of the development properties, sale of land and properties, rental income from letting of properties and gross dividend income from investments.

SEGMENT INFORMATION – GROUP

The Group's operating businesses are organised and managed separately accordingly to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Revenues are attributed to geographic areas based on the location of the assets producing the revenue.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

27. REVENUE (cont'd)

Analysis by activity

	Turnover		Profit/(Loss) Before Taxation and Minority Interest		Total Assets Employed	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Property development	191,285	213,998	41,653	56,729	620,138	633,694
Property investment	67,127	67,935	38,157	17,212	558,051	519,817
Leisure	111,556	113,877	(29,728)	(17,844)	349,694	370,711
Hospitality	93,284	82,974	(26,281)	(30,118)	473,638	469,929
Health care	17,052	802	(15,906)	(4,776)	75,366	65,693
	<u>480,304</u>	<u>479,586</u>	<u>7,895</u>	<u>21,203</u>	<u>2,076,887</u>	<u>2,059,844</u>

Analysis by geographical location

	Turnover		Profit/(Loss) Before Taxation and Minority Interest		Total Assets Employed	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Malaysia	401,638	393,628	31,047	37,512	1,919,759	1,885,085
Asia (excluding Malaysia)	16,899	16,318	(1,573)	(349)	46,264	44,705
Australia	61,767	69,459	(21,579)	(13,884)	110,864	130,047
Africa	-	181	-	(2,076)	-	7
	<u>480,304</u>	<u>479,586</u>	<u>7,895</u>	<u>21,203</u>	<u>2,076,887</u>	<u>2,059,844</u>

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

28. PROFIT FROM OPERATIONS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
This is arrived at after charging/(crediting) :-				
Directors' emolument payable to Directors of				
- holding company	1,300	678	1,300	678
- subsidiary companies who are not Directors of the holding company	678	354	-	-
Directors' fees payable to Directors of				
- holding company	60	48	60	48
Auditors' remuneration				
- Current year	461	390	60	60
- (Over)/underprovision in prior year	(16)	14	6	-
Depreciation of property, plant and equipment	54,711	45,480	3,598	245
Loss on disposal of property, plant and equipment	15	1,114	-	-
Amortisation of goodwill	487	-	-	-
Rent of:				
- Land and buildings	2,217	1,584	917	462
- Equipment, plant and machinery	285	318	-	33
- Others	359	553	237	356
Management fee	703	697	476	235
Development expenditure written off	643	798	-	-
Staff retirement benefits	-	(11)	-	-
Property, plant and equipment written off	82	390	-	-
Staff costs	98,785	79,487	7,441	5,361
Write down of investment properties	984	-	-	-
Provision for bad and doubtful debts	4,530	963	3,384	548
Bad debts written off	27	2,335	4	231
Provision for doubtful debts in respect of amounts due from associated companies	1,165	25	-	-
Provision for doubtful debts in respect of amounts due from subsidiary companies	-	-	-	773
Loss arising from dilution of interest in a subsidiary company	3,504	-	-	-
Exchange loss	-	1,199	-	19

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

28. PROFIT FROM OPERATIONS (cont'd)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
And after crediting:-				
Exchange gain	30	-	-	-
Interest income				
- from subsidiary companies	-	-	16,808	15,796
- others	3,010	2,097	222	94
Rental income	6,512	20,546	3,117	15,220
Gross dividends from				
- subsidiary company	-	-	9,071	7,245
- associated companies	-	-	1,470	2,911
Gain on sale of land/development properties to subsidiary companies	-	-	10,498	89,759
Gain on disposal of subsidiary companies	-	4,253	-	-
Gain on disposal of property, plant and equipment	-	-	211	6

29. FINANCE COSTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest expense:				
- advances from minority shareholders of subsidiary company	900	853	-	-
- hire purchase and lease arrangements	1,661	716	603	582
- intercompany	-	-	497	1,352
- related party (Note 35)	8,858	-	2,093	-
- revolving credit	11,326	14,056	11,326	14,056
- term loan	28,277	47,855	-	-
- overdraft	570	480	251	242
	51,592	63,960	14,770	16,232

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

30. TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Malaysian taxation based on results for the year :-				
Current				
- Group companies	16,207	-	5,546	-
- Deferred taxation (Note 26)	(810)	-	(810)	-
	15,397	-	4,736	-
Underprovision in prior years:				
- Group companies	-	1,063	-	46
	15,397	1,063	4,736	46

The taxation is provided in respect of the Company and certain profitable subsidiary companies.

The effective tax rate for Group's profit is higher than the statutory tax rate due to certain expenses being disallowed for tax purposes and non-availability of group tax relief of losses incurred by certain subsidiary companies.

The effective tax rate of the Company is lower than the statutory rate due to utilisation of capital allowances brought forward from prior years. The tax saving derived from this utilisation amounted to approximately RM251,000.

The estimated unabsorbed tax losses, unutilised capital and investment tax allowances which have not been dealt with in the financial statements are as follows:-

	Group	
	2000 RM'000	1999 RM'000
Tax losses	74,061	49,834
Capital allowances	253,637	219,674
Investment tax allowances	506,504	480,564
	834,202	750,072

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

31. PRIOR YEAR ADJUSTMENT

In prior years, the share of losses by a minority shareholder of a subsidiary company was restricted to its share of equity interest in the subsidiary company. The said minority shareholder has been providing its proportionate share of funds to the subsidiary company to enable the latter to meet its funding requirements. This consideration was inadvertently omitted in the preparation of financial statements in prior years. Accordingly, a prior year adjustment ("PYA") has been effected in the current year financial statements to account for the effect arising from additional losses to be borne by the minority shareholder. The PYA has the effect of decreasing the minority interests and increasing the Group's profit after taxation and minority interests in the income statement for 1999 by RM3,484,000 each and exchange reserve by RM477,000 and increasing the Group's retained profit brought forward as at 1 January 1999 by RM7,289,000 and decreasing exchange reserve brought forward as at 1 January 1999 by RM105,000. The advances from the minority shareholders in the balance sheet as at 31 December 1999 have accordingly decreased by RM11,145,000.

32. DIVIDEND

This represents 6.6% dividend (net of tax of 28%) in respect of the Company's 6.6% cumulative convertible preference shares which were issued on 24 February 2000, amounting to RM6,093,000 in respect of the current year.

An amount of RM3,564,000 in respect of the above has been paid during the financial year.

33. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share for the Group is based on profit after taxation and minority interests of RM3,940,000 (1999: RM14,841,000) less preference shares dividend of RM6,092,975 (1999: RM Nil) on weighted average of 334,262,489 (1999: 300,000,000) ordinary shares in issue during the year.

No diluted earnings per share is disclosed due to the anti-dilutive effect of share options and the 6.6% cumulative convertible preference shares.

34. SIGNIFICANT INTER-COMPANY TRANSACTIONS

	Company	
	2000 RM'000	1999 RM'000
Interest receivable from subsidiary companies	16,808	15,796
Rent receivable from subsidiary companies	1,150	1,090
Interest payable to subsidiary companies	497	1,352
Rent payable to associated company	917	462
Sale of land/development properties to subsidiary companies	14,588	156,000

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

35. RELATED PARTY TRANSACTIONS

During the year, the Group entered into transactions with certain companies in the Sunway Holdings Incorporated Berhad ("Suninc") Group and PRK Builders Sdn. Bhd. ("PRK"). These companies are deemed to be related to the Company by virtue of Tan Sri Dato' Seri Dr. Cheah Fook Ling's mutual interest and common directorship in Suninc, PRK and the Company and Dato' Razman M Hashim's mutual interest and common directorship in PRK and the Company. The related party transactions are principally in respect of:-

Nature of transactions	Name of companies	2000 RM'000	1999 RM'000
Construction costs payable to:-	Suninc Group	42,000	72,000
	PRK	32,000	35,000
Management fees payable to:-	Sunway Management Sdn. Bhd.	200	1,500
Insurance premium payable to:-	Sunway Risk Management Sdn. Bhd.	3,000	2,000
Lease rental payable to:-	Sunway Leasing Sdn. Bhd.	9,000	200
Interest expense payable to:-	Suninc Group	8,800	-
Rental income receivable from:-	Suninc Group	1,800	1,600
	PRK	280	400
Ticketing sales to:-	Suninc Group	470	630
	PRK	5	2
Medical services rendered to:-	Suninc Group	250	-
	PRK	20	-

The above transactions were undertaken at mutually agreed terms between the companies in the normal course of business.

36. CONTINGENT LIABILITIES

	Company	
	2000 RM'000	1999 RM'000
Guarantees given to licensed financial institutions for banking facilities granted to subsidiary companies	383,674	669,705

All the above contingent liabilities are unsecured.

37. CAPITAL COMMITMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Capital expenditure				
- approved and contracted for	5,310	20,172	98	-
- approved but not contracted for	5,228	-	-	-
	10,538	20,172	98	-

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

38. SIGNIFICANT EVENTS COMPLETED DURING THE FINANCIAL YEAR

On 18 February 2000, the Company obtained its shareholders' approval on the following:-

- (a) Restricted issue of 40 million new ordinary shares of RM1 each representing approximately 11.8% of the enlarged issued and paid-up share capital of the Company to Reco Loop Pte. Ltd. ("GIC-Loop") a company incorporated in Singapore, for a total cash consideration of RM72 million. The new ordinary shares shall rank pari passu in all respects with the existing shares of the Company.
- (b) Restricted issue of 108 million 6.6% cumulative convertible preference shares ("CCPS") of RM1.00 each in the Company to GIC-Loop for a total cash consideration of RM108 million. The CCPS are convertible into new ordinary shares of RM1.00 each in the Company three (3) years after the issue date at RM1.80 per share.
- (c) Acquisition of 4.5 million shares of RM1.00 each representing 45% of the total paid-up share capital of Sunway Pyramid Sdn. Bhd. from Kembangan Awal (M) Sdn. Bhd. for a cash consideration of RM4,500,000.
- (d) Disposal of two (2) parcels of land known as HS(D) 118334 PT30 & HS(D) 118345 PT41, Mukim Bandar Sunway, District of Petaling, Selangor to Sunway Pyramid Sdn. Bhd. for a cash consideration of RM1,272,000.
- (e) Subscription of 48 million new ordinary shares ("Shares") of RM1.00 each at a subscription price of RM1.00 per share, representing 48% of the enlarged issued and paid-up share capital in Sunway Pyramid Sdn. Bhd. and 48 million new redeemable preference shares ("RPS") of RM0.10 each at a subscription price of RM2.79 per RPS in Sunway Pyramid Sdn. Bhd. by Reco Pyramid Pte. Ltd., for a total cash consideration of RM182 million and the grant of a put option to Reco Pyramid Pte. Ltd. ("GIC-Pyramid"), a company incorporated in Singapore, for the 48 million Shares and 48 million RPS. The put option grants GIC-Pyramid the option to sell its Shares and RPS in Sunway Pyramid Sdn. Bhd. to the Company at the specified price after the fifth anniversary of the Shares and RPS being issued to them. The specified price shall be satisfied in cash which will provide a rate of return of 16% per annum over the holding period or the net book value per Share and RPS to be determined by the auditors of Sunway Pyramid Sdn. Bhd., whichever is higher. The put option has no expiry date.
- (f) Subscription of 42 million new ordinary shares of RM1.00 each representing 42% of the enlarged issued and paid-up share capital in Sunway Pyramid Sdn. Bhd. and 52 million new RPS of RM0.10 each in Sunway Pyramid Sdn. Bhd. by the Company by way of transfer of debts. Following the above subscription, the Company's equity interest has reduced from 55% to 52%.

The above events were completed on 3 March 2000.

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(a) Subsidiaries of Sunway City Berhad				
Bintutara Sdn. Bhd.	Malaysia	Property development and investment holding	100	100
Sunway Kinrara Sdn. Bhd.	Malaysia	Property development	75	75
Sunway Hotel (Penang) Sdn. Bhd.	Malaysia	Hotel business	100	100
Syarikat Shoib Properties Sdn. Bhd.	Malaysia	Property development	100	100
Grandeal Trading Co. Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lagoon Sdn. Bhd.	Malaysia	Theme park operator	51	51
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development and investment holding	75	75
Sunway Pyramid Sdn. Bhd.	Malaysia	Shopping mall operator	52	55
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotel business	58	58
Sunway Lagoon Club Berhad	Malaysia	Rendering recreational club facilities	83	83
Sunway Travel Sdn. Bhd.	Malaysia	Travel and tour agent	87	87
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development and investment holding	65	65
Sunway Damansara Sdn. Bhd.	Malaysia	Property development and investment holding	60	60

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(a) Subsidiaries of Sunway City Berhad (cont'd)				
# Allson International Holdings Limited	British Virgin Islands	Hotel management	70	70
Ekuiti Meranti (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Pembinaan Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70
Lastone Investments Ltd.	British Virgin Islands	Investment holding	100	100
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76
Sunway Heights Sdn. Bhd.	Malaysia	Property development	70	70
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	70	70
TAH Properties Sdn. Bhd.	Malaysia	Dormant	70	70
Sunway Medical Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100
Area Star Sdn. Bhd.	Malaysia	Dormant	100	100
Falcrest Sdn. Bhd.	Malaysia	Dormant	70	70
# Sunway City (S'pore) Pte. Ltd.	Singapore	Promotion and marketing services	100	100
Ace Engineering Services Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Resort Hotel Land Sdn. Bhd.	Malaysia	Dormant	100	100
Stellar Destiny Sdn. Bhd.	Malaysia	Property investment	100	100

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(a) Subsidiaries of Sunway City Berhad (cont'd)				
Strategic Domain Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Montereiz Sdn. Bhd.	Malaysia	Dormant	100	-
(b) Subsidiaries of Sunway City (Penang) Sdn. Bhd.				
Fame Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Era Primision Sdn. Bhd.	Malaysia	Dormant	100	100
Commercial Parade Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotel business	100	100
Lancar Gemilang Sdn. Bhd.	Malaysia	Dormant	100	100
Prime Delight Sdn. Bhd.	Malaysia	Dormant	100	100
Sejati Pesona Sdn. Bhd.	Malaysia	Dormant	100	100
Associated Circle Sdn. Bhd.	Malaysia	Dormant	100	100
Alliance Parade Sdn. Bhd.	Malaysia	Dormant	100	100
(c) Subsidiary of Sunway Travel Sdn. Bhd.				
# OSC First Holidays Co. Ltd.	Socialist Republic of Vietnam	Travel and tour agent	54	54
(d) Subsidiaries of Allson International Holdings Limited				
# Allson International Hotels & Resorts (H.K.) Limited	Hong Kong	Hotel management	100	100
# Allson International Hotels & Resorts (B.V.I.) Limited	British Virgin Islands	Hotel management	100	100

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(d) Subsidiaries of Allson International Holdings Limited (cont'd)				
# Allson International Management Limited	British Virgin Islands	Hotel management	100	100
(e) Subsidiary of Konsep Objektif (M) Sdn. Bhd.				
# Sunway Hotel Phnom Penh, Ltd.	Cambodia	Hotel business	75	75
(f) Subsidiaries of Sunway Lagoon Sdn. Bhd.				
Sunway Arena Entertainment Sdn. Bhd.	Malaysia	Dormant	55	55
Eastern Glory Enterprises Ltd.	British Virgin Islands	Investment holding	60	60
Sunway Monorail Sdn. Bhd.	Malaysia	Monorail operator	100	100
Commercial Highlight Sdn. Bhd.	Malaysia	Dormant	55	55
Sun Event Management Sdn. Bhd.	Malaysia	Promotion and management of entertainment and related business	100	80
(g) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.				
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Realty (Penang) Sdn. Bhd.	Malaysia	Dormant	100	100
Sunway Lagoon Water Park Sdn. Bhd.	Malaysia	Dormant	100	100
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	100	100
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Ganda Antik Sdn. Bhd.	Malaysia	Dormant	100	100
Bandar Sunway (Melaka) Sdn. Bhd.	Malaysia	Dormant	100	100

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(g) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd. (cont'd)				
Permata Aktiviti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Lagoon Café Sdn. Bhd.	Malaysia	Dormant	100	100
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	100
(h) Subsidiaries of Sunway Damansara Sdn. Bhd.				
Imbasan Intisari Sdn. Bhd.	Malaysia	Dormant	100	100
Tidal Elegance Sdn. Bhd.	Malaysia	Dormant	100	100
Park Symphony Sdn. Bhd.	Malaysia	Dormant	100	100
Pan Unicreation Sdn. Bhd.	Malaysia	Dormant	100	100
Winning Excellence Sdn. Bhd.	Malaysia	Dormant	100	100
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Deal Sdn. Bhd.	Malaysia	Dormant	100	100
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	100	100
Petikan Tropika Sdn. Bhd.	Malaysia	Dormant	100	100
Cahaya Jejaka Sdn. Bhd.	Malaysia	Dormant	100	100
Seruan Istilah Sdn. Bhd.	Malaysia	Dormant	100	100
Sumber Dorongan Sdn. Bhd.	Malaysia	Dormant	100	100
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	100	100
Bisikan Seni Sdn. Bhd.	Malaysia	Dormant	100	100
Emerald Freight Sdn. Bhd.	Malaysia	Dormant	100	100

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(i) Subsidiary of Sunway Pyramid Sdn. Bhd.				
Sunway Parking Management Sdn. Bhd. (Formerly known as Capital Mix Sdn. Bhd.)	Malaysia	Car park operator	100	100
(j) Subsidiaries of Sunway Medical Holdings Sdn. Bhd.				
Sunway Medical Centre Sdn. Bhd.	Malaysia	Operator of a medical centre	60.90	50.45
Sunway Gamma Knife Centre (Malaysia) Sdn. Bhd. (Formerly known as Network Array Sdn. Bhd.)	Malaysia	Dormant	100	-
(k) Subsidiaries of Eastern Glory Enterprises Limited				
Estonia Enterprises Limited	British Virgin Islands	Investment holding	100	100
* Hartford Lane Pty. Limited	Australia	Trustee	100	100
(l) Subsidiaries of Estonia Enterprises Limited				
* International Theme Park Pty. Ltd.	Australia	Theme park operator	100	100
* Sunway Australia Unit Trust	Australia	Unit trust	100	100
(m) Subsidiary of International Theme Park Pty. Ltd.				
* Sydney Theme Park Pty. Ltd.	Australia	Theme park licence holder	100	100
(n) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.				
Sunway City Cambodia Limited	Cambodia	Dormant	80	80

Subsidiary companies not audited by Ernst & Young

* Subsidiary companies audited by another member firm of Ernst & Young International

notes to the financial statements *(cont'd)*

31 DECEMBER 2000

39. SUBSIDIARY AND ASSOCIATED COMPANIES (cont'd)

Details of the subsidiary and associated companies are listed below:-

Name of Companies	Country of Incorporation	Principal Activities	Equity Interest Held	
			2000 %	1999 %
(o) Associated companies of Sunway City Berhad				
# Menara Sunway Sdn. Bhd. (Formerly known as Menara Sungei Way Sdn. Bhd.)	Malaysia	Management and letting of property	49	49
Sistem Penyuraian Trafik Kotaraya Sdn. Bhd.	Malaysia	Dormant	50	50
Aktif-Sunway Sdn. Bhd.	Malaysia	Retailer	20	20
(p) Associated companies of Sunway Lagoon Sdn. Bhd.				
Sunway Sayang Restaurant Sdn. Bhd.	Malaysia	Dormant	50	50
Shochiku Sunway Lagoon Sdn. Bhd.	Malaysia	Dormant	50	50
# Pyramid Bowl Sdn. Bhd.	Malaysia	Bowling alley operator	40	40
(q) Associated company of Pembinaan Objektif (M) Sdn. Bhd.				
# Sunway City Harare (Private) Ltd.	Zimbabwe	Property development	49	49
# Associated companies not audited by Ernst & Young.				

40. COMPARATIVE FIGURES

The presentation of the financial statements for the current year has been changed to adopt the format as prescribed in MASB 1, Presentation of Financial Statements. Certain comparative figures have been reclassified to conform with current year's presentation, where necessary.

The following are the material reclassifications for the consolidated financial statements for the year:-

- (i) The comparative figures for reserves and advances by minority shareholders have been restated to reflect the effects of prior year adjustment as explained in Note 31 to the financial statements.
- (ii) The comparative figure for earnings per share has been restated as a result of the above.

list of properties

Location Address	Land Area (acre)/built up area (sq.ft.)	Owned by	Existing use	Age of building (years)	Tenure	Net Book Value RM'000
INVESTMENT PROPERTIES						
PT 28, HS (D) 118332 PT 1904-5, HS (D) 118325-6 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	16.833/615,983	Stellar Destiny	College and Apartment	4 - 8	Leasehold expiring 01.04.2097	66,172
PT 26, HS (D) 118330 PT 1487, HS (D) 118320 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	4.075/43,917	Sunway City	Sunway Lagoon Club	7	Leasehold expiring 01.04.2097	9,766
PT 25, HS (D) 118329 PT 29, HS (D) 118333 PT 15753, HS (D) 98453 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	59.893/728,326	Sunway City	Sunway Lagoon Theme Park Amphitheatre, Wavepool & Elephant Walk	8	Leasehold expiring 01.04.2097 & 19.06.2094	97,406
PT 1706, HS (D) 118324 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	0.499/21,482	Sunway City	Food Court Phase (10)	6	Leasehold expiring 01.04.2097	1,621
PT 1406, HS (D) 118322 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	0.370/6,143	Sunway City	Food Court Phase (6A)	9	Leasehold expiring 01.04.2097	607
PT 892, HS (M) 7031 Bandar Sunway MK Damansara Selangor Darul Ehsan PT 15141-2 HS(D) 121190-91 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	4.33/221,000	Sunway City	Apartments Phase (8C)	5	Leasehold expiring 11.04.2093 & 1.12.2097	12,732
Lot 2203, HS (D) 239 Section 12 George Town Pulau Pinang	0.667/197,000	Sunway Hotel Penang	Sunway Hotel Penang	7	Freehold	25,186
PT 30, HS (D) 118334 PT 41, HS (D) 118345 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	15.069/2,500,000	Sunway Pyramid	Sunway Pyramid Shopping Mall Cum Car Park	3	Leasehold expiring 01.04.2097	388,526

list of properties *(cont'd)*

Location Address	Land Area (acre)/built up area (sq.ft.)	Owned by	Existing use	Age of building (years)	Tenure	Net Book Value RM'000
PT 27, HS (D) 118331 PT 40, HS (D) 118344 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	8.638/988,934	Sunway Resort Hotel Land	Sunway Lagoon Resort Hotel	4	Leasehold expiring 01.04.2097	282,282
Lot 5785, HS (D) 5593 Daerah Seberang Perai Tengah Pulau Pinang	1.061/164,725	Sunway Hotel Seberang Jaya	Sunway Hotel Seberang Jaya	3	Leasehold expiring 21.10.2092	28,239
PT 37, HS (D) 118341 PT 1489, HS (D) 118318 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	4.496/235,925	Sunway Medical Centre	Sunway Medical Centre	1.5	Leasehold expiring 01.04.2097	53,815
PROPERTIES UNDER DEVELOPMENT & LAND HELD FOR DEVELOPMENT						
Lot 5497-5499, HS (D)1816-1818 Daerah Seberang Perai Tengah Pulau Pinang	7.999	Sunway City Penang	Sunway Carnival Shopping mall under construction		Leasehold expiring 21.10.2092	21,826
PT 33491-33494, HS (D)103054-103057 MK Sungei Buloh, Daerah Petaling Selangor Darul Ehsan	267.42	Sunway Damansara	Mixed development under construction		Leasehold expiring 13.5.2095	122,868
PT 3705, HS(D) 9222 MK 12 Daerah Barat Daya Penang	50.630	Sunway Tunas	Mixed development under construction		Freehold	34,257
PT 155845, HS (D) 72921 PT 144881-897, HS (D) 72888-72908 PT 146128-139, HS (D) 72909-72921 Jalan Tambun MK Ulu Kinta Daerah Kinta Perak Darul Ridzuan	1,304.512	Sunway City (Ipoh)	Mixed development under construction		Leasehold expiring 27.10.2097	9,368
PT 24509, HS (D) 80095 MK Damansara Daerah Petaling Selangor Darul Ehsan	42.644	Sunway Kinrara	Mixed development under construction		Leasehold expiring 13.10.2092	1,139

list of properties *(cont'd)*

Location Address	Land Area (acre)/built up area (sq.ft.)	Owned by	Existing use	Age of building (years)	Tenure	Net Book Value RM'000
PT 34, HS (D) 118338 PT 1906, HS (D) 118327 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	5.634	Sunway City	Condominium Phase D under construction		Leasehold expiring 01.04.2097	25,633
Lot 1131, 1132 & 1391 MK 9 Daerah Barat Daya Pulau Pinang	4.376	Sunway Tunas	Lowcost Flat		Leasehold expiring 10.8.2873	2,927
PT 4023, HS (D) 28648 PT 4025-26, HS (D) 28650-51 PT 4028, HS (D) 28653 PT 1696-97, HS (D) 39673-74 Lot 7145 Geran 43621 MK Semenyih Daerah Ulu Langat Selangor Darul Ehsan	699.85	Sunway Heights	Mixed development under construction		Freehold	142,145
PT 5645 HS (D) 1821 Seberang Perai Tengah, Prai	2.027	Sunway City Penang	Business Park under construction		Leasehold expiring 21.10.2092	6,793
Lot 3-24, HS (D) 114889-910 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	107.999	Sunway Lagoon	Vacant		Leasehold expiring 14.11.2096	70,762
Lot 5781-84, HS (D) 5589-92 Lot 5493, HS (D) 1814 Lot 5494, HS (D) 1815 Lot 5647, HS (D) 1823 Lot 5646, HS (D) 1822 Lot 5648, HS (D) 1824 Lot 5729, HS (D) 5537 Seberang Perai Tengah, Prai	16.566	Sunway City Penang	Vacant		Leasehold expiring 21.10.2092	16,925
PT 31, HS (D) 118335 PT 35, HS (D) 118339 PT 42, HS (D) 118346 PT 43, HS (D) 118347 PT 1395, HS (D) 118323 PT 1408, HS (D) 118321 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	15.283	Sunway City	Vacant		Leasehold expiring 01.04.2097	709

list of properties *(cont'd)*

Location Address	Land Area (acre)/built up area (sq.ft.)	Owned by	Existing use	Age of building (years)	Tenure	Net Book Value RM'000
PT 1490, HS (D) 115836 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	1.537	Sunway City	Vacant		Leasehold expiring 28.12.2096	925
Lot 4066, 4069 MK Kampung Buaia Daerah Kuala Kangsar Perak Darul Ridzuan	1,010.661	TAH Properties	Vacant		Freehold	6,439
Lot No 013845 S -54 S Daerah Kinta Bandar Ipoh Perak	0.430	Area Star	Vacant		Freehold	2,278
PT 5013, HS (D) 118683 PT 15145, HS (D) 121194 Mukim Petaling Selangor Darul Ehsan	6.022	Syarikat Shoib Properties	Vacant		Leasehold expiring 25.5.2097	512
PT 9315, HS (D) 56708 MK Damansara Daerah Petaling Selangor Darul Ehsan	37.561	Sunway City	Industrial unit and batching plant	11	Leasehold expiring 19.04.2086	3,394
COMPLETED PROPERTIES FOR SALE						
PT 1907, HS (D) 118328 PT 33, HS (D) 118337 Bandar Sunway Daerah Petaling Selangor Darul Ehsan	5.134/18,828	Sunway City	Condominium Phase E (7 units)	2	Leasehold expiring 01.04.2097	3,182
PT 4836, HS (D) 118506 Mukim Petaling Selangor Darul Ehsan	0.402/11,249	Syarikat Shoib Properties	Bungalow (2 units)	2	Leasehold expiring 25.05.2097	1,454
Pajakan Negeri 6890 Lot 93 Sek 20 Bandar Petaling Jaya Selangor Darul Ehsan	6.316/9,244	Bintutara	Flatted industrial factory (6 units)	5	Leasehold expiring 24.10.2067	1,136

list of properties *(cont'd)*

Location Address	Land Area (acre)/built up area (sq.ft.)	Owned by	Existing use	Age of building (years)	Tenure	Net Book Value RM'000
PT 17230, HS (M) 9296 PT 589, HS (M) 7116 PT 1384, HS (M) 8437 MK Damansara Daerah Petaling Selangor Darul Ehsan	0.209/4,933	Sunway City	Residential (3 units)	7 - 11	Leasehold expiring 11.3.2095 11.4.2093 30.10.2093	328
PT 36, HS (D) 118340 PT 1488, HS (D) 118319 MK Damansara Daerah Petaling Selangor Darul Ehsan	6.783/4,999	Sunway City	Palmville Condominium (3 units)	5	Leasehold expiring 01.04.2097	676
PT 155,845, HS(D) 72921 PT 144,881-897, HS (D) 72888-72908 PT 146128-139 HS (D) 72909-72921 Jalan Tambun MK Ulu Kinta Daerah Kinta, Perak	1.755/139,912	Sunway City Ipoh	Commercial & industrial units (43 units)	1	Leasehold expiring 27.10.2097	17,672
OVERSEAS PROPERTIES						
92nd Street and 51st Street Phnom Penh Cambodia	0.989/125,313	Sunway Hotel Phnom Penh	Sunway Hotel Phnom Penh	2	Leasehold expiring 28.04.2066	29,627
Lot 1 on Deposited Plan 773643 County of Cumberland Parish of Melville Sydney, Australia	540.7	Sunway Australia Unit Trust	Wonderland Sydney	17	Freehold	49,164

analysis of shareholdings

AS AT 20 APRIL 2001

	Ordinary Shares	Cumulative Convertible Preference Shares ("CCPS")	Total RM
Authorised Share Capital	800,000,000	200,000,000	1,000,000,000
Issued and Fully Paid-up Capital	340,199,000	108,000,000	448,199,000
Class of Shares	Ordinary Share of RM1.00 each	CCPS of RM1.00 each	-
Voting Rights	One vote per ordinary share	* One vote per CCPS	-

* Each holder of CCPS shall have one vote per share only if the business of the general meeting includes the consideration of a resolution for varying or abrogating any of the rights or privileges attached to the CCPS, but shall otherwise have no right to vote at general meetings of the Company.

(A) ORDINARY SHARES

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Share Capital
1 - 499	24	0.22	168	0.00
500 - 5,000	9,522	88.99	17,192,320	5.06
5,001 - 10,000	651	6.08	5,372,000	1.58
10,001 - 100,000	430	4.02	10,999,101	3.23
100,001 - 1,000,000	35	0.33	14,256,190	4.19
1,000,001 and above	38	0.36	292,379,221	85.94
	10,700	100.00	340,199,000	100.00

TWENTY LARGEST SHAREHOLDERS AS PER REGISTER OF DEPOSITORS AS AT 20 APRIL 2001

	Name of Shareholders	No. of Shares	%
1	#1 Sungei Way Corporation Sdn Bhd	48,216,292	14.17
2	Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd	40,000,000	11.76
3	Perbadanan Kemajuan Negeri Selangor	25,471,000	7.49
4	Jef-San Enterprise Sdn Bhd	15,801,045	4.64
5	Koperasi Tunas Muda Sungai Ara Berhad	15,217,391	4.47
6	Sungei Jaya Sdn Bhd	12,628,165	3.71
7	Tan Sri Dato' Seri Dr Cheah Fook Ling	10,823,251	3.18

analysis of shareholdings *(cont'd)*

AS AT 20 APRIL 2001

TWENTY LARGEST SHAREHOLDERS AS PER REGISTER OF DEPOSITORS AS AT 20 APRIL 2001

	Name of Shareholders	No. of Shares	%
8	#2 Sharikat Lombong Anika Serbaguna Sendirian Berhad	10,589,474	3.11
9	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - AMMB International (L) Ltd for Active Equity Sdn Bhd	9,276,552	2.73
10	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - AMMB International (L) Ltd for Progressive Traders Sendirian Berhad	7,958,490	2.34
11	Sungei Menderang Sdn Bhd	7,958,490	2.34
12	#3 Active Builder Sdn Bhd	6,523,930	1.92
13	Mutiara Intensif (M) Sdn Bhd	6,400,303	1.88
14	Perusahaan Dunia Sdn Bhd	6,177,143	1.82
15	Arab-Malaysian Nominees (Tempatan) Sdn Bhd - AMMB International (L) Ltd for Jayarata Sdn Bhd	6,000,000	1.76
16	Swastaria Holdings Sdn Bhd	6,780,000	1.99
17	Allfresh Sdn Bhd	4,689,285	1.38
18	Timah Sini-Sana Sdn Bhd	5,213,409	1.53
19	Mayban Nominees (Tempatan) Sdn Bhd - Wistaria Holdings Sdn Bhd	5,000,000	1.47
20	Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Selangor	5,000,000	1.47
		<u>255,724,220</u>	<u>75.16</u>

Notes:

- #1 Inclusive of shares held in Mayban Nominees (Tempatan) Sdn Bhd
- #2 Inclusive of shares held in Mayban Nominees (Tempatan) Sdn Bhd
- #3 Inclusive of shares held in Arab-Malaysian Nominees (Tempatan) Sdn Bhd

analysis of shareholdings *(cont'd)*

AS AT 20 APRIL 2001

SUBSTANTIAL SHAREHOLDERS

	Name of shareholders		No. of shares	%
1	Tan Sri Dato' Seri Dr Cheah Fook Ling	*	135,766,960	39.91
2	Sungei Way Corporation Sdn Bhd	#	53,429,701	15.71
3	Government of Singapore Investment Corporation Pte Ltd		40,000,000	11.76
4	Perbadanan Kemajuan Negeri Selangor		25,471,000	7.49
5	Aneka Lengkap Sdn Bhd	^	17,369,474	5.11
6	Jef-San Enterprise Sdn Bhd		15,801,045	4.64
7	Koperasi Tunas Muda Sungai Ara Berhad		15,217,391	4.47
8	Sungei Jaya Sdn Bhd		12,628,165	3.71
9	Sharikat Lombong Anika Serbaguna Sendirian Berhad		10,589,474	3.11
10	Active Equity Sdn Bhd		9,276,552	2.73
11	Progressive Traders Sendirian Berhad		7,958,490	2.34
12	Sungei Menderang Sdn Bhd		7,958,490	2.34

Notes:

* Direct and deemed interest through Active Equity Sdn Bhd, Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and child

Direct and deemed interest through Timah Sini-Sana Sdn Bhd

^ Deemed interest through Sharikat Lombong Anika Serbaguna Sendirian Berhad and Swastaria Holdings Sdn Bhd

(B) CUMULATIVE CONVERTIBLE PREFERENCE SHARES ("CCPS")

The entire 108,000,000 CCPS of RM1.00 each are held by the Government of Singapore Investment Corporation Pte Ltd.

The CCPS were allotted and issued on 24th February 2000 and are convertible into new ordinary shares of RM1.00 each three (3) years after the date of issue at a conversion price of RM1.80 per share.

FORM OF PROXY

18th Annual General Meeting



SUNWAY CITY BERHAD (87564-X)

(Incorporated in Malaysia)

Registered Office

Level 16, Menara Sunway

Jalan Lagoon Timur

Bandar Sunway

46150 Petaling Jaya

Selangor Darul Ehsan

Malaysia

Tel: 03-5635 8889/5630 5590

Fax: 03-5634 1349

*I/We _____ *NRIC No./Passport No./Company No. _____
(Please use Block Letters)

of _____

being (a) member(s) of SUNWAY CITY BERHAD, and entitled to vote hereby appoint _____

* NRIC No./Passport No. _____ of _____

_____ 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 18th Annual General Meeting of the Company to be held at Grand Caymans, Level 10, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Thursday, 28th June, 2001 at 3.30 p.m. and at any adjournment thereof.

Dated this _____ day of _____ 2001

Signature(s) _____



Number of share(s) held										

* Delete as appropriate.

Please indicate with 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/their discretion.

RESOLUTION	FOR	AGAINST
1. To receive the Reports and Audited Financial Statements for the financial year ended 31st December 2000.		
2. To approve the payment of Directors' fees.		
To re-elect the following Directors:-		
3. Tan Sri Dato' Ir Talha Bin Haji Mohd Hashim		
4. Ngeow Voon Yean		
5. Teo Cheng Hiang, Richard		
6. Teo Tong How		
7. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration.		
8. To authorise the issue of shares up to 10% of the Issued Capital		
9. To approve the proposed amendment to Clause 3 of the Memorandum of Association		
10. To approve the proposed adoption of new Articles of Association		

NOTES:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, either under the corporation's seal, or under the hand of an officer or attorney duly authorised. A proxy may but need not be a Member of the Company.
2. If a member appoints two proxies, the appointment will be invalid, unless he states the percentage of his holding to be represented by each proxy.
3. To be valid, the Proxy Form must be completed and deposited at the Registered Office of the Company not less than 48 hours before the meeting or adjourned meeting.

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STAMP

THE COMPANY SECRETARY
SUNWAY CITY BERHAD (87564-X)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY, 46150 PETALING JAYA
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