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Sunway Treasury Sukuk Sdn Bhd

(formerly known as Fantastic Prolink Sdn Bhd) (Company No. 1088200-V)

INFORMATION MEMORANDUM

**PROPOSED ISSUANCE OF ISLAMIC COMMERCIAL PAPERS AND/OR
ISLAMIC MEDIUM TERM NOTES UNDER THE SHARIAH PRINCIPLE
OF MUDHARABAH PURSUANT TO AN ISLAMIC COMMERCIAL
PAPER/MEDIUM TERM NOTE PROGRAMME OF UP TO RM2.0
BILLION IN NOMINAL VALUE**

Principal Adviser/ Lead Arranger/ Lead Manager

kenanga

Kenanga Investment Bank Berhad

Kenanga Investment Bank Berhad
(Company No. 15678-H)

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This Information Memorandum has been approved by the directors of the Issuer and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge, information and belief, there are no false or misleading statements or other material facts the omission of which would make any statement in this Information Memorandum false or misleading and that there are no material omissions in this Information Memorandum.

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This Information Memorandum is not, and should not be construed as, a recommendation by the Issuer, Sunway, Kenanga IB or any other party to the recipient to subscribe for or purchase the Sukuk Mudharabah. This Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all inclusive. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the Sukuk Mudharabah and all other relevant matters, and each recipient should consult its own professional advisers.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Sukuk Mudharabah shall in any circumstance imply that the information contained herein concerning the Issuer or any subsidiaries of the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Sukuk Mudharabah is correct as of any time subsequent to the date indicated in the document containing the same. Kenanga IB expressly do not undertake to review the financial condition or affairs of the Issuer or any subsidiaries of the Issuer during the life of the Sukuk Mudharabah or to advise any investor in the Sukuk Mudharabah of any information coming to their attention. The recipient of this Information Memorandum or the potential investors should review, inter alia, the most recently published documents incorporated by reference into this Information Memorandum when deciding whether or not to purchase any Sukuk Mudharabah.

This Information Memorandum is not and will not be intended to be a prospectus. Unless otherwise specified in this Information Memorandum, the information contained in this Information Memorandum is current as at the date hereof.

This Information Memorandum includes certain historical information, estimates, or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy, the material businesses in which the Issuer or its group of companies operates and certain other matters. Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimate and/or report thereon derived from such and other third party sources.

This Information Memorandum includes "forward looking statements". These statements include, among other things, discussions of the Issuer's business strategy and expectation concerning its position in the Malaysian economy, future operations, profitability, liquidity, capital resources and financial position. All these statements are based on estimates and assumptions made by the Issuer and third party consultants that, although believed to be reasonable, are subject to risks and uncertainties that may cause actual events and the future results of the Issuer to be materially different from that expected or indicated by such statements and estimates and no assurance can be given that any of such statements or estimates will be realised. In light of these and other uncertainties, the inclusion of a forward looking statement in this Information Memorandum should not be regarded as a representation or warranty by the Issuer or any other person that the plans and objectives of the Issuer will be achieved.

All discrepancies (if any) in the tables included in this Information Memorandum between the listed amounts and totals thereof are due to, and certain numbers appearing in this Information Memorandum are shown after, rounding.

ACKNOWLEDGEMENT

The Issuer has authorised Kenanga IB and/or their respective affiliates to circulate or distribute this Information Memorandum on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of, the Sukuk Mudharabah to prospective investors and that no further evidence of authorisation is required.

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A copy of this Information Memorandum will be deposited with the Securities Commission Malaysia (“SC”), which takes no responsibility for its contents.

The issue, offer or invitation in relation to the Sukuk Mudharabah in this Information Memorandum or otherwise are subject to the fulfilment of various conditions precedent including without limitation the applicable authorisation from the SC, which had been obtained on 21 August 2014 and each recipient of this Information Memorandum acknowledges and agrees that the approval of the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk Mudharabah.

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The Shariah Adviser (as defined hereinafter) has approved the structure and mechanism of the Sukuk Mudharabah and their compliance with the applicable Shariah principles. However, the approval is only an expression of the view of the Shariah Adviser based on his extensive experience in the subject. There can be no assurance that the structure of the Sukuk Mudharabah and the trading of the Sukuk Mudharabah will meet each investor’s Shariah standards of compliance and neither the Issuer, Sunway, the Principal Adviser/Lead Arranger, Lead Manager nor any other person makes any representation of the same. Investors are advised to obtain their own independent Shariah advice as to whether the structure meets their individual standards of compliance and make their own determination as to the future tradability of the Sukuk Mudharabah.

EACH ISSUE OF THE SUKUK MUDHARABAH WILL CARRY DIFFERENT RISKS AND ALL INVESTORS SHOULD EVALUATE EACH ISSUE ON THEIR RESPECTIVE MERITS AND RISKS OF THE INVESTMENT. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING FOR THE SUKUK MUDHARABAH.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (a) the most recently published audited annual consolidated financial statements of the Issuer and Sunway; and
- (b) all supplements or amendments to this Information Memorandum circulated by the Issuer, if any, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall

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TABLE OF CONTENTS

GLOSSARY OF DEFINITIONS AND ABBREVIATIONS.....	i
EXECUTIVE SUMMARY.....	1
1.1 INTRODUCTION.....	1
1.2 SUMMARY OF FINANCIAL PERFORMANCE OF SUNWAY GROUP.....	1
1.3 BRIEF DESCRIPTION OF THE SUKUK PROGRAMME.....	2
TRANSACTION DETAILS.....	3
2.1 UTILISATION OF PROCEEDS.....	3
2.2 RATING.....	3
2.3 TRUSTEE.....	3
2.4 BUY-BACK, REDEMPTION AND EARLY REDEMPTION.....	3
PRINCIPAL TERMS AND CONDITIONS OF THE SUKUK PROGRAMME.....	4
3.1 PRINCIPAL TERMS AND CONDITIONS.....	4
INFORMATION ON THE ISSUER AND SUNWAY GROUP.....	39
4.1 CORPORATE HISTORY.....	39
4.2 KEY BUSINESS SEGMENTS OF SUNWAY GROUP.....	40
4.3 FINANCIAL PERFORMANCE BY SEGMENT FOR THE AUDITED FINANCIAL YEAR ENDED 31 DECEMBER 2013.....	43
4.4 MAJOR AWARDS AND RECOGNITION.....	43
4.5 BOARD OF DIRECTORS AND THEIR PROFILES.....	45
4.6 SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDINGS.....	50
4.7 SUNWAY GROUP CORPORATE STRUCTURE.....	51
4.8 KEY FINANCIAL HIGHLIGHTS OF SUNWAY GROUP.....	52
INVESTMENT CONSIDERATIONS.....	53
5.1 RISKS RELATING TO THE ISSUER AND SUNWAY GROUP.....	53
5.2 RISKS RELATING TO THE SUKUK MUDHARABAH.....	60
5.3 GENERAL CONSIDERATIONS.....	61
INDUSTRY OVERVIEW.....	63
6.1 MALAYSIA.....	63
6.2 SINGAPORE.....	65
GENERAL INFORMATION.....	68
7.1 MATERIAL LITIGATION.....	68
7.2 MATERIAL CONTRACTS.....	68
7.3 MATERIAL CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND TOTAL BORROWINGS.....	70
7.4 CONFLICT OF INTEREST AND APPROPRIATE MITIGATING MEASURES.....	70
ANNEXURE 1 – PRICING FORMULA FOR THE EARLY REDEMPTION OF THE SUKUK MUDHARABAH	
ANNEXURE 2 – DIAGRAMMATICAL ILLUSTRATION OF THE SUKUK MUDHARABAH	
ANNEXURE 3 – CORPORATE STRUCTURE OF SUNWAY GROUP AS AT 15 JULY 2014	

GLOSSARY OF DEFINITIONS AND ABBREVIATIONS

Except where the context otherwise requires, the following abbreviations shall apply throughout this Information Memorandum:

“BNM”	Bank Negara Malaysia.
“Board”	Board of directors.
“Bursa Securities”	Bursa Malaysia Securities Berhad (Company No. 635998-W).
“CMSA”	Capital Markets and Services Act, 2007, as amended from time to time.
“Government”	Government of Malaysia.
“ICPs”	Islamic commercial papers.
“IMTNs”	Islamic medium term notes.
“Issuer”	Sunway Treasury Sukuk Sdn Bhd (<i>formerly known as Fantastic Prolink Sdn Bhd</i>) (Company No.1088200-V).
“LPD”	15 July 2014, being the latest practicable date prior to the printing of this Information Memorandum.
“Principal Adviser/Lead Arranger”, “Lead manager”, “Facility Agent” or “Kenanga IB”	Kenanga Investment Bank Berhad (Company No. 15678-H).
“PTC”	the principal terms and conditions of the Sukuk Programme as set out in Section 3 of this Information Memorandum.
“REIT”	Real Estate Investment Trust.
“RAM”	RAM Rating Services Berhad (Company No. 763588-T).
“SC”	Securities Commission Malaysia.
“STSB”	Sunway Treasury Sdn Bhd (Company No. 434005-W).
“Series”	refers to such tranche of the Sukuk Mudharabah sharing the same issue date, the same issue request, the same terms and conditions and the same tenure.
“Sukukholders”	the holders of the Sukuk Mudharabah.
“Sukuk Programme”	the Islamic commercial paper and/or Islamic medium term note programme of up to RM2.0 billion in nominal value.
“Sukuk Mudharabah”	ICPs and/or IMTNs issued or to be issued pursuant to the Sukuk Programme.
“Sunway City”	Sunway City Sdn Bhd (Company No. 87564-X).
“SunCon”	Sunway Construction Sdn Bhd (Company No. 27175-V).
“Sunway Group”	Sunway and its direct and indirect subsidiaries and including jointly controlled entities and associate companies of Sunway.
“Sunway” or “Guarantor”	Sunway Berhad (Company No. 921551-D).

“Trust Deed”	The trust deed to be entered into between the Issuer and the Trustee in relation to the Sukuk Mudharabah (as amended, revised or supplemented from time to time).
“Trust Deeds Guidelines”	SC’s Trust Deeds Guidelines revised on 12 July 2011 and effective on 12 August 2011.
“Trustee”	Pacific Trustees Berhad (Company No. 317001-A) acting as the trustee for the Sukukholders.
“Trustees’ Reimbursement Account”	the Shariah-compliant account opened and maintained or to be opened and maintained by the Issuer with a licensed financial institution acceptable to the Principal Adviser/Lead Arranger known as the “Trustee’s Reimbursement Account” into which funds or monies shall be credited or cause to be credited by the Issuer pursuant to the provisions in the Trust Deed.

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EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Information Memorandum. This summary is qualified by, and must be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this Information Memorandum. Prospective investors should read this entire Information Memorandum carefully, including the section titled "Investment Considerations".

1.1 Introduction

The Issuer was incorporated in Malaysia as a private limited company on 8 April 2014 under the name of Fantastic Prolink Sdn Bhd and changed its name to Sunway Treasury Sukuk Sdn Bhd on 23 July 2014.

The Issuer was set up as a special purpose vehicle for the purpose of conducting treasury and financing operations, including but not limited to advancing, depositing or lending money to its related companies.

The Issuer intends to undertake the issuance of Islamic commercial papers ("ICPs") and/or Islamic medium term notes ("IMTNs") under the Shariah principle of *Mudharabah* (the ICPs and IMTNs are collectively referred to as the "**Sukuk Mudharabah**") pursuant to an Islamic commercial papers/medium term notes programme of up to RM2.0 billion in nominal value ("**Sukuk Programme**"), which will be irrevocably and unconditionally guaranteed by Sunway Berhad ("**Sunway**" or "**Guarantor**") pursuant to the *Al-Kafalah Guarantee*.

The Issuer is a wholly-owned subsidiary of Sunway Treasury Sdn Bhd ("**STSB**"), which in turn is a wholly-owned subsidiary of Sunway. STSB was incorporated in Malaysia as a private limited company on 5 June 1997 as Alpine Angle Sdn Bhd. On 24 March 1998, Alpine Angle Sdn Bhd changed its name to Sunway Monorail Sdn Bhd and subsequently to Sunway Treasury Sdn Bhd on 5 July 2011. STSB has acquired the status of a treasury management centre on 29 March 2013. Sunway, the Guarantor in respect of the Sukuk Programme was incorporated in Malaysia as a private limited company on 10 November 2010 as Alpha Sunrise Sdn Bhd and subsequently changed its name to Sunway Sdn Bhd on 23 November 2010. On 30 November 2010, Sunway converted into a public limited company and assumed its current name. On 23 August 2011, Sunway was officially listed on the Main Market of Bursa Securities.

1.2 Summary of financial performance of Sunway Group

For the financial year ended 31 December 2013

For the financial year ended 31 December 2013, the Sunway Group recorded audited revenue of RM4.7 billion and profit before tax of RM1.9 billion. The revenue was largely contributed by the construction, property development, property investment and trading and manufacturing divisions. Compared to the previous financial year, revenue had been higher by 14.4%, mainly due to the stronger progress billings from the property development projects, local civil and building construction projects, and stronger sales from the precast concrete products business in Singapore.

Profit before tax for the year was boosted by one off gains of RM1.2 billion mainly from fair value gains from Sunway REIT, Sunway REIT Management Sdn Bhd and investment properties and consolidation adjustments due to the adoption of FRS 10. Excluding these one off gains, core profit before tax would have been RM662.3 million which was 26.3% higher than the core profit before tax of the previous financial year. The increase was driven by higher operating profits across all divisions and especially in the core businesses of property and construction.

Net gearing of the Sunway Group was manageable at 0.25 times mainly due to the additional capital raised from a rights issue in August 2013.

For the 3-month financial period ended 31 March 2014

For the 3-month financial period ended 31 March 2014, Sunway Group recorded a revenue of RM1.0 billion and profit before tax of RM142.2 million. Compared to the corresponding 3-month period in the previous financial year, revenue is similar and in line.

Profit before tax grew 16.1% compared to the corresponding 3-month period in the previous financial year driven by improved performance of the Property Development and Construction divisions and lower interest costs as some of the rights issue proceeds raised in August 2013, were used to reduce Sunway Group's borrowings.

Net gearing of Sunway Group was 0.29 times compared to 0.47 times for the corresponding period of the previous financial year.

1.3 Brief Description of the Sukuk Programme

The Sukuk Programme involves the issuance of the Sukuk Mudharabah of up to RM2.0 billion in nominal value.

The Sukuk Programme shall have a tenure of up to seven (7) years from the date of the first issuance of the Sukuk Mudharabah under the Sukuk Programme ("**Availability Period**"). The ICPs may be issued with a tenure of one (1) month, two (2) months, three (3) months, six (6) months, nine (9) months or twelve (12) months as the Issuer may select whereas the IMTNs can have a tenure of more than one (1) year and up to seven (7) years, as Issuer may select, provided always that no Sukuk Mudharabah shall mature beyond the expiry of the Availability Period.

The ICPs may be issued via competitive tender by the tender panel members or direct placement on best effort basis without prospectus at the option of the Issuer while the IMTNs may be issued via book building on a best effort basis or direct placement or on bought deal basis, without prospectus.

The Sukuk Programme shall be secured by an irrevocable and unconditional Al-Kafalah Guarantee by Sunway.

The Sukuk Mudharabah may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, at issuance, other than to persons falling within Schedule 6 or subsection 229(1)(b) or Schedule 7 or subsection 230(1)(b), read together with Schedule 9 or subsection 257(3) of the CMSA and any issue, offer or invitation to subscribe for or purchase the Sukuk Mudharabah does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965 (as amended from time to time). Subsequent to issuance, the Sukuk Mudharabah may not be offered, sold or delivered, directly or indirectly, nor may any document or other materials in connection therewith be distributed in Malaysia other than to persons falling within Schedule 6 or subsection 229(1)(b) read together with Schedule 9 or subsection 257(3) of the CMSA. The Sukuk Mudharabah, may not be offered or sold, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, and any issue, offer or invitation to subscribe for or purchase the Sukuk Mudharabah does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act 1965 (as amended from time to time).

For further details, please refer to the principal terms and conditions of the Sukuk Programme as set out in Section 3 of this Information Memorandum.

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TRANSACTION DETAILS

2.1 Utilisation of Proceeds

The utilisation of the proceeds arising from the Sukuk Programme is as follows:

- (a) to utilise RM30,000 to fund the Trustees' Reimbursement Account as required under the Trust Deeds Guidelines;
- (b) to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses and financing expenses i.e. the fees and expenses relating to the Sukuk Programme) of the Issuer and/or Sunway Group; and
- (c) to repay future borrowings to be undertaken by the Issuer and/or Sunway Group.

In any case, all utilisation of funds from the issuance of the Sukuk Mudharabah shall be for Shariah-compliant purposes only including the manner in which the funds are to be channelled to the companies within the Sunway Group by the Issuer.

The issue proceeds shall be utilised in accordance with the purposes stated above throughout the tenure of the Sukuk Programme.

2.2 Rating

RAM has assigned a rating of P1(s) for the ICPs and A2(s) for the IMTNs.

2.3 Trustee

Pacific Trustees Berhad is the Trustee appointed to act for and on behalf of the Sukukholders in relation to the Sukuk Programme.

2.4 Buy-back, Redemption and Early Redemption

The Issuer or any of its subsidiaries or agents or any interested person of the Issuer, which includes the directors, major shareholders and chief executive officer may, at any time, purchase any outstanding Sukuk Mudharabah at any price in the open market by way of private treaty. Any Sukuk Mudharabah so purchased by the Issuer or any of its subsidiaries or agents acting for the redemption or purchase are to be surrendered for cancellation and shall not be reissued or resold.

Any Sukuk Mudharabah held by any interested person of the Issuer (who shall include directors, major shareholders and chief executive officer) shall not entitle such interested person to vote at any of the meetings of the Sukukholders and will not be deemed to be outstanding for the purpose of determining the total votes exercisable by the Sukukholders whenever such determination is required under the Transaction Documents.

Unless previously redeemed or purchased and cancelled, the Sukuk Mudharabah will be redeemed by the Issuer at 100% of its nominal value together with profit accrued (if any) to the date of redemption on their respective maturity dates.

The Issuer may at its option redeem all the Sukuk Mudharabah in a specific series (in whole and not in part) before their respective maturity subject to the Issuer providing a notice to the Trustee and the Facility Agent not less than twenty-one (21) days and not more than sixty (60) days before the date of redemption ("**Early Redemption Date**") notifying the Trustee and the Facility Agent the Early Redemption Date and the series the Issuer wishes to redeem, which shall be at the option of the Issuer.

The early redemption of the Sukuk Mudharabah shall be at such price calculated based on the formula set out in Annexure 1 of this Information Memorandum.

PRINCIPAL TERMS AND CONDITIONS OF THE SUKUK PROGRAMME

3.1 Principal Terms and Conditions

(a) Name of parties involved in the proposed transaction (where applicable)

(i)	Principal adviser	Kenanga Investment Bank Berhad (Company No.15678-H) (" Kenanga IB " or " PA/LA ").
(ii)	Lead arranger	Kenanga IB.
(iii)	Co-arranger	Not applicable.
(iv)	Solicitor	Messrs. Lee Hishammuddin Allen & Gledhill (" Solicitors ").
(v)	Financial adviser	Not applicable.
(vi)	Technical adviser	Not applicable.
(vii)	Sukuk trustee	Pacific Trustees Berhad (" Trustee ").
(viii)	Shariah adviser	Datuk Dr. Mohd Daud Bakar (" Shariah Adviser ").
(ix)	Guarantor	Sunway Berhad (" Sunway " or " Guarantor ").
(x)	Valuer	Not applicable.
(xi)	Facility agent	Kenanga IB (" Facility Agent ").
(xii)	Primary subscriber(s) (under a bought-deal arrangement) and amount subscribed	The primary subscribers will be determined prior to each issuance of the Sukuk Mudharabah (as defined in paragraph 3.1(c) below) in the event of a bought deal issue.
(xiii)	Underwriter and amount underwritten	<p><u>ICPs (as defined in paragraph 3.1(c) below)</u> The ICPs will not be underwritten. Notwithstanding this, the Issuer may arrange for the ICPs to be underwritten in part or in full based on underwriting fees and yields to be agreed then with the underwriter(s).</p> <p><u>IMTNs (as defined in paragraph 3.1(c) below)</u> The IMTNs will not be underwritten. Notwithstanding this, the Issuer may arrange for the IMTNs to be underwritten in part or in full based on underwriting fees and yields to be agreed then with the underwriter(s).</p>
(xiv)	Central depository	Bank Negara Malaysia (" BNM ").
(xv)	Paying agent	BNM.
(xvi)	Reporting accountant	Not applicable.
(xvii)	Calculation agent	Not applicable.
(xviii)	Others (please specify)	<u>Lead Manager</u> Kenanga IB.

Tender Panel Members (“TPM”) (in respect of the ICPs)

To be identified by the PA/LA comprising banks, other financial institutions and other persons falling within Schedule 6 or Section 229(1)(b), and Schedule 7 or Section 230(1)(b), read together with Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 as amended from time to time (“**CMSA**”).

(b) Islamic principles used

The issuance of the Sukuk Mudharabah (as defined in paragraph 3.1(c) below) will be based on the Shariah principle of Mudharabah, which is a Shariah principle and concept approved by the Shariah Advisory Council (“**SAC**”) of the Securities Commission Malaysia (“**SC**”).

(c) Facility description

Issuance of Islamic commercial papers (“**ICPs**”) and/or Islamic medium term notes (“**IMTNs**”) under an Islamic commercial paper/medium term note programme of up to RM2.0 billion in nominal value (“**Sukuk Programme**”).

The ICPs and the IMTNs are collectively referred to as the “**Sukuk Mudharabah**”.

The Sukuk Programme will be issued in one or more series.

Underlying Transaction

Under the Mudharabah transaction, Sunway Treasury Sukuk Sdn Bhd (the “**Issuer**”) (as “**Mudharib**”) shall enter into a Mudharabah contract with the Trustee, acting on behalf of the investors (as “**Rabb al-mal**”).

Pursuant to the Mudharabah contract, the investors (herein referred to as the “**Sukukholders**”) shall from time to time provide capital to the Issuer for the purpose of the Sukukholders’ investment in the Issuer’s Shariah-compliant business which includes the provision of Islamic inter-company advances or investment in the Shariah-compliant business activities and/or general corporate purpose of companies within the Sunway Group (as defined in paragraph 3.1(y)(L) below) (collectively known as “**Mudharabah Venture**”).

The Sukukholders, as the Rabb al-mal, shall participate in the Mudharabah Venture by subscribing to the Sukuk Mudharabah which will be issued in series, pursuant to the Sukuk Programme. Each series represents a Mudharabah Venture on its own. Proceeds from the Sukuk Mudharabah represent 100% of the Sukukholders’ capital contribution (“**Mudharabah Capital**”) in the said Mudharabah Venture. The Issuer on the other hand, as the Mudharib, shall be granted by the Sukukholders the absolute entrepreneurial authority to manage the Mudharabah Venture

and administer the collection of income from the Mudharabah Venture.

The Issuer shall subsequently make a declaration of trust ("**Declaration of Trust**") over the undivided rights and entitlements of the Sukukholders under the Mudharabah Venture ("**Trust Assets**") for the benefit of the Sukukholders and itself. The Sukuk Mudharabah represents each of the Sukukholders' undivided proportionate beneficial interests in the Trust Assets.

Profits generated from the Mudharabah Venture shall be shared between the Rabb al-mal and the Mudharib according to a pre-agreed profit-sharing ratio ("**PSR**") of 99:1 while losses shall be borne solely by the Rabb al-mal.

In respect of Sukuk Mudharabah with periodic distribution, the payment of profits shall be based on the income generated from the Mudharabah Venture (the "**Periodic Distribution(s)**") which shall be distributed semi-annually or such other period to be agreed ("**Periodic Distribution Date**") to the Sukukholders.

In respect of Sukuk Mudharabah without Periodic Distribution, the payment of profits shall be based on the income generated from the Mudharabah Venture which shall be distributed to the Sukukholders on a one-off basis (the "**One-off Distribution**") on the respective maturity dates of such Sukuk Mudharabah.

The Rabb al-mal's share of profits shall be the return expected ("**Expected Return**") by the Sukukholders from the Mudharabah Venture which shall be the yield of the Sukuk Mudharabah for the period from the issuance of the Sukuk Mudharabah up to the respective maturity dates or the date of declaration of an event which dissolves the Mudharabah Venture ("**Dissolution Event**") or the early redemption date of the Sukuk Mudharabah ("**Early Redemption**") (as stated in paragraph 3.1(x)), as the case may be.

Under the Mudharabah Venture, the Sukukholders have agreed upfront that they shall receive profits up to the Expected Return. Any amounts in excess of the Expected Return shall be given to the Mudharib as an incentive fee for successfully managing the Mudharabah Venture. A partner may waive his/its right under the Shariah principle of Tanazul on the profit payments from the Mudharabah Venture, if that partner desires so.

If, on any Periodic Distribution Date, the income generated from the Mudharabah Venture is insufficient to meet the expected Periodic

Distribution, the Issuer shall make advanced profit payments during the tenure of the Sukuk Mudharabah (“**Advance Profit Payments**”) equal to such deficiency. For the avoidance of doubt any Advance Profit Payments made by the Issuer shall be offset against the Exercise Price (as defined in paragraph 3.1(y)(C) below).

The Issuer shall undertake to purchase the Trust Assets from the Trustee (acting on behalf of the Sukukholders) at the Exercise Price via a Purchase Undertaking (as defined in paragraph 3.1(y)(C) below) upon the occurrence of the earlier of the respective maturity dates of the Sukuk Mudharabah or declaration of a Dissolution Event or on Early Redemption.

Upon the exercise of the Purchase Undertaking and the payment of the Exercise Price, the Mudharabah Venture and the trust over the Trust Assets shall be dissolved and the Sukuk Mudharabah shall be cancelled.

Sunway shall issue an irrevocable and unconditional Al-Kafalah Guarantee, which shall be applicable in respect of all series of the Sukuk Mudharabah in favour of the Trustee to guarantee all payment obligations of the Issuer under the Purchase Undertaking. Sunway shall enter into a separate Kafalah Agreement with the Issuer to provide the guarantee, which is an independent arrangement from the Mudharabah Agreement.

A diagrammatical illustration of the Sukuk Mudharabah transaction is set out in Annexure 2.

- | | | |
|-----|---|---|
| (d) | Identified assets | The Trust Assets which are the undivided rights and entitlements of the Sukukholders under the Mudharabah Venture. |
| (e) | Purchase and selling price/rental (where applicable) | Not applicable as the Mudharabah transaction does not involve purchase and sale of underlying assets. |
| (f) | Issue/sukuk programme size | <p><u>Sukuk Programme</u></p> <p>The total outstanding nominal amount of the Sukuk Mudharabah issued under the Sukuk Programme shall not exceed RM2.0 billion in aggregate at any point in time.</p> <p>However, the Issuer shall have the option to upsize the aforesaid programme limit provided that:</p> <ul style="list-style-type: none"> (a) the relevant approvals have been obtained from the Sukukholders (prior to each upsizing by the Issuer) where the voting to upsize the Sukuk Programme shall be carried out on a “per series” basis and not collective basis; |

(b) approval has been obtained from the SC; and

(c) the Issuer must ensure that any exercise to upsize the Sukuk Programme shall not unfairly discriminate against or is otherwise prejudicial to existing Sukukholders of the Sukuk Programme.

Further details in relation to the voting by the Sukukholders under the Sukuk Programme are set out in paragraph 3.1(y)(K) below.

“**per series**” shall mean, in relation to any Sukuk Mudharabah, such Sukuk Mudharabah with the same issue date and maturity date.

(g) Tenure of issue/sukuk programme

Sukuk Programme

Up to seven (7) years from the date of first issuance of the Sukuk Mudharabah under the Sukuk Programme.

The first issuance of the Sukuk Mudharabah shall be made within two (2) years from the date of the written authorisation issued by the SC.

ICPs

One (1), two (2), three (3), six (6), nine (9) or twelve (12) months as the Issuer may select.

IMTNs

Above one (1) year and up to seven (7) years as the Issuer may select.

Provided always that the Sukuk Mudharabah shall mature on or prior to the expiry of the Sukuk Programme.

(h) Availability period of sukuk programme

The Sukuk Programme is available for utilisation upon completion of documentation and compliance of all conditions precedent to the satisfaction of PA/LA and ending on the date falling seven (7) years from the date of the first issuance of the Sukuk Mudharabah under the Sukuk Programme.

(i) Profit/coupon/rental rate

ICPs

The ICPs will be issued at a discount to its nominal value without Periodic Distribution/ profit payment.

IMTNs

The expected Periodic Distribution/ profit rate will be determined prior to each issuance of the IMTNs.

(j) Profit/coupon/rental payment frequency

ICPs

The ICPs shall be issued without Periodic Distribution/ profit payment.

IMTNs

For IMTNs with Periodic Distribution, the frequency of the Periodic Distribution/ profit payment shall be semi-annually or such other period to be agreed between the Issuer and the Lead Manager prior to the issuance of such Sukuk Mudharabah.

Not applicable for IMTNs without Periodic Distribution.

- | | |
|---|---|
| (k) Profit/coupon/rental payment basis | For Sukuk Mudharabah with Periodic Distribution, the Periodic Distribution/ profit payment of the Sukuk Mudharabah shall be calculated on the basis of the actual number of days in the relevant period divided by 365 (actual/365 days) and in any event, in accordance with the MyClear Rules and Procedures (as defined in paragraph 3.1(p) below). |
| (l) Security/collateral, where applicable | An irrevocable and unconditional Al-Kafalah Guarantee by Sunway. |
| (m) Details on utilisation of proceeds by issuer/obligor and originator (in the case of ABS). If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable | <p>The proceeds from the Sukuk Programme shall be utilised for the following purposes:</p> <ul style="list-style-type: none">(a) to utilise RM30,000 to fund the Trustees' Reimbursement Account (as defined in paragraph 3.1(y)(F)) as required under the SC's Trust Deeds Guidelines;(b) to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses and financing expenses, i.e. the fees and expenses relating to the Sukuk Programme) of the Issuer and/or Sunway Group; and/or(c) for repayment of future borrowings to be undertaken by the Issuer and/or Sunway Group. <p>In any case, all utilisation of funds from the issuance of the Sukuk Mudharabah shall be for Shariah-compliant purposes only including the manner in which the funds are to be channelled to the companies within the Sunway Group by the Issuer.</p> |
| (n) Sinking fund and designated accounts, where applicable | Not applicable. |
| (o) Rating <ul style="list-style-type: none">• Credit rating assigned and whether the rating is final or indicative.• Name of credit rating agency | <p><u>ICPs</u>
Preliminary rating of P1(s).</p> <p><u>IMTNs</u>
Preliminary rating of A2(s).</p> <p>RAM Ratings Services Berhad ("RAM Ratings").</p> |

(p) **Mode of issuance**

ICPs

Via competitive tender by the TPM or direct placement on a best effort basis without prospectus at the option of the Issuer under Fully Automated System for Issuing/Tendering ("**FAST**").

IMTNs

Via book building on best effort basis or bought deal basis, all without prospectus under FAST. The IMTNs could also be issued by way of private placement to selected investors at an agreed yield between the Issuer and investor(s).

Issuance of the Sukuk Mudharabah under the Sukuk Programme shall be in accordance with (i) the Participation and Operation Rules for Payments and Securities Services issued by Malaysian Electronic Clearing Corporation Sdn Bhd ("**MyClear**") ("**MyClear Rules**"); and (ii) the Operational Procedures for Securities Services issued by MyClear ("**MyClear Procedures**") or their replacement thereof (collectively referred to as "**MyClear Rules and MyClear Procedures**") applicable from time to time.

(q) **Selling restrictions, including tradability (i.e. tradable or non-tradable)**

The Sukuk Mudharabah are tradable but shall not be offered or sold, directly or indirectly, nor may any document or other material information in connection therewith be distributed in Malaysia, other than to persons to whom the offer or invitation to purchase the Sukuk Mudharabah falling within any of the categories of persons or in the circumstances specified below:

At the point of issuance

Schedule 6 or Section 229(1)(b); or Schedule 7 or Section 230(1)(b), read together with Schedule 9 or Section 257(3) of the CMSA and any issue, offer or invitation to subscribe for or purchase the Sukuk Mudharabah does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act, 1965 (as amended from time to time).

After the issuance

Schedule 6 or Section 229(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA and any issue, offer or invitation to subscribe for or purchase the Sukuk Mudharabah does not constitute an offer to the public within the meaning of Section 4(6) of the Companies Act, 1965 (as amended from time to time).

(r) **Listing status and types of listing**

The Sukuk Mudharabah will not be listed on the Bursa Malaysia Securities Berhad ("**Bursa Malaysia**") or on any other stock exchange.

(s) **Other regulatory approvals required in relation to the issue, offer or invitation to**

Not applicable.

**subscribe or purchase sukuk,
and whether or not obtained**

(t) Conditions precedent

Conditions Precedent to first issuance

Conditions precedent to the first issuance of the Sukuk Mudharabah shall include conditions precedent customary for transactions of this nature (in the form and substance acceptable to the PA/LA), including, but not limited to, the following:

- (i) All relevant Transaction Documents (as defined in paragraph 3.1(y)(E)) shall have been executed and duly endorsed as exempted under the Stamp Duty Exemption (No 23) Order 2000 and where relevant, presented for registration;
- (ii) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association of the Issuer and Sunway have been obtained;
- (iii) Certified true copies of the latest Forms 24, 44 and 49 of the Issuer and Sunway have been obtained;
- (iv) Certified true copies of the respective board resolutions of the Issuer and Sunway authorising, among others, the execution of the Transaction Documents to which it is a party have been obtained;
- (v) A list of the authorised signatories of the Issuer and Sunway and their respective specimen signatures have been obtained;
- (vi) A report each in respect of the relevant company search of the Issuer and Sunway have been obtained;
- (vii) A report each in respect of the relevant winding up search or the relevant statutory declaration of the Issuer and Sunway have been obtained;
- (viii) Evidence of authorisation from the SC in relation to the Sukuk Programme has been obtained;
- (ix) Evidence that the Trustees' Reimbursement Account has been opened for the purpose stated in the Transaction Documents;
- (x) Representations and warranties of the Issuer and Sunway remain true and correct in all material respects and no Dissolution Event or potential

Dissolution Event has occurred;

- (xi) The PA/LA has received a favourable legal opinion from the Solicitors advising with respect to the legality, validity and enforceability of the Transaction Documents to which the Issuer is a party and that all the conditions precedent have been fulfilled;
- (xii) The ICPs and IMTNs have received their respective requisite ratings as stated in this principal terms and conditions;
- (xiii) Evidence of payment or arrangement for payment of all relevant fees and amounts due by the Issuer in connection with the Sukuk Programme has been obtained;
- (xiv) Confirmation from the Shariah Adviser that the structure of the Sukuk Programme and the Transaction Documents are in compliance with Shariah principles has been obtained;
- (xv) Where consent is required for the Sukuk Programme from the existing noteholders and/or the existing lenders under any existing facilities including under security documents executed by the Issuer, the obtaining of such consent and/or redemption statement (if applicable); and
- (xvi) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Issuer and the PA/LA.

Conditions Precedent to subsequent issuances of the Sukuk Mudharabah

- (i) Confirmation from the Issuer that all relevant representations and warranties of the Issuer and Sunway remain true and correct;
- (ii) No Dissolution Event has occurred or is continuing or will occur as a result of the issuances; and
- (iii) Such other conditions precedent as may be advised by the Solicitors and mutually agreed between the Issuer and the PA/LA.

(u) Representations and warranties

The Sukuk Programme shall be subject to such representations and warranties as may be deemed customary for a facility of this nature or as may be advised by the Solicitors. This shall include but not be limited to:

(A) Issuer (to be documented in the Trust Deed)

(i) Status:

- a. The Issuer is a corporation duly incorporated and validly existing under the laws of Malaysia,
- b. The Issuer has the power to own its assets and carry on its business as it is being conducted.

(ii) Non-Violation:

The entry into and performance by the Issuer of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with:

- a. its constitutional documents;
- b. any law or regulation applicable to it; or
- c. any agreement or instrument binding upon it or any of its assets.

(iii) Power and Authority:

The Issuer has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(iv) Authorisation:

All authorisations, consents, approvals, filings or registration required or desirable:

- a. to enable the Issuer to lawfully enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- b. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation;
- c. for it to carry on its business, and which are material;

have been obtained or affected and are in full force and effect.

(v) **No Proceedings Pending Or Threatened:**

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect (as defined in paragraph 3.1(y)(L)) below) have (to the best of its knowledge and belief after due and careful enquiry) been started or threatened against the Issuer.

(vi) **Appointment of Receiver, Legal Process:**

No steps have been taken by the Issuer nor, to the best of its knowledge after due and careful enquiry, have any legal proceedings been started or threatened for the dissolution liquidation or winding up of the Issuer or for the appointment of a receiver or similar officer in respect of all or any part of the business or assets of the Issuer and no demand under Section 218(2) of the Companies Act 1965 has been received by the Issuer.

(vii) **Binding Obligations:**

The obligations expressed to be assumed by the Issuer in each Transaction Documents are, subject to any general principles of law limiting its obligations legal, valid, binding and enforceable obligations.

(viii) **No default:**

- a. No Dissolution Event or potential Dissolution Event is continuing or might reasonably be expected to result from the issuance of the Sukuk Mudharabah.
- b. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on the Issuer or to which the Issuer's assets are subject, which might have a Material Adverse Effect.

(ix) **Accounts:**

The Issuer's financial statements has been prepared on a basis consistently applied in accordance with the generally accepted accounting principles in Malaysia and give a true and fair view of the results of its operations for that year and the state of its financial affairs at that date, and in particular disclose or reserve against such liabilities (actual or contingent) of the Issuer.

- (x) **No misleading information:**
 - a. Any factual information provided by the Issuer to the Trustee in writing in connection with or as required under the Transaction Documents is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated and is not misleading in any respect;
 - b. Any financial projections provided by the Issuer to the Trustee have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

- (xi) **Changes:**

No event or series of events has occurred (including, without limitation, the revocation or non-renewal of any authorisations, consents, approvals, filings or registration) which would have a Material Adverse Effect.

- (xii) Such other representations and warranties which may be advised by the Solicitors.

(B) Sunway and its Material Subsidiaries (as defined in paragraph 3.1(y)(L)) (to be documented in the Al-Kafalah Guarantee)

- (i) The representations and warranties corresponding to those under paragraphs 3.1(u)(A)(i) to 3.1(u)(A)(xii) (both inclusive) in respect of Sunway and its Material Subsidiaries (where applicable).

(v) Dissolution Events

Dissolution Events shall include but not limited to the following:

(A) Events relating to the Issuer (to be documented in the Trust Deed)

- (i) **Non-Payment:**

At any time, the Issuer fails to pay any amount due from it under any Sukuk Mudharabah and/or any other amounts due from it under any of the Transaction Documents on the due date and such default is not remedied by the Issuer within seven (7) business days; or
- (ii) **Breach of Obligations:**

The Issuer does not comply with any provision of the Transaction Documents or under any undertaking or arrangement entered into in connection

therewith (other than a payment obligation referred under “Non-Payment” in paragraph 3.1(v)(A)(i) and compliance with the Financial Covenant referred to in paragraph 3.1(w)(1) below) and, in the case of a failure capable of being remedied, is not remedied within thirty (30) days after the earlier of the Issuer becoming aware of or having been notified in writing by the Trustee of the event or situation, or such other longer remedy period as may be agreed between the Trustee and the Issuer; or

(iii) **Misrepresentation:**

Any representation or statement made or deemed to be made by the Issuer in the Transaction Documents or any other document delivered by or on behalf of the Issuer under or in connection with any Transaction Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

(iv) **Cross-default:**

Any indebtedness of the Issuer becomes due and is not paid (after the expiry of any originally applicable grace period) or is capable of being declared due prematurely by reason of a default or a Dissolution Event (however described); or

(v) **Appointment of Receiver:**

An encumbrancer takes possession of or a trustee or administrator or a receiver, or liquidator or officer similar to any of the foregoing is appointed in respect of all or any part of the assets of the Issuer or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within sixty (60) days after being levied, enforced or sued out or any security interest which may for the time being affect any of the assets of the Issuer becomes enforceable which in the reasonable opinion of the Trustee would have a Material Adverse Effect; or

(vi) **Winding Up:**

The Issuer convenes a meeting of its creditors or proposes or makes any arrangement (including a scheme of arrangement under Section 176 of the Companies Act, 1965) or composition with, or any assignment for the benefit of, its creditors (other than for the purposes of and followed by a reconstruction previously approved in

writing by the Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) or a petition is presented or a meeting is convened for the purposes of considering a resolution for the winding-up of the Issuer or a winding-up order is made against the Issuer unless such petition is contested in good faith and set aside within thirty (30) days (or such longer period as may be agreed by the Trustee) from the date of service of such winding-up petition, or if a winding-up order has been made against it or any event occurs by virtue of which the Issuer may be dissolved pursuant to the documents which establish the constitution of the Issuer or pursuant to which the courts of Malaysia or any other competent court would be entitled to order the dissolution of the Issuer or a moratorium is agreed or declared in respect of or affecting all or a material part of or a particular type of the indebtedness of the Issuer; or

- (vii) **Material Adverse Change:**
Any event or series of event has occurred or which might occur and which, in the opinion of the Trustee will result in the occurrence of a Dissolution Event or would have a Material Adverse Effect; or
- (viii) **Invalidity or Illegality:**
Any provision of the Transaction Documents is or becomes or is alleged by or on behalf of the Issuer to be, for any reason, invalid, unenforceable or unlawful and would have a material adverse effect on the Issuer's ability to perform its obligations under the Transaction Documents, or the Issuer purports to repudiate any provision of the Transaction Documents; or
- (ix) **Legal Proceedings:**
The Issuer fails to satisfy any judgement exceeding RM30 million passed against it by any court of competent jurisdiction within thirty (30) business days and no appeal against such judgement has been made to any appropriate appellate court within the time prescribed by law or such appeal has been dismissed; or
- (x) **License:**
There is a revocation, withholding or modification of a license, authorisation or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the Transaction Documents or the Sukuk Mudharabah

or any other document relating to the issue offer or invitation in respect of the Sukuk Mudharabah; or

- (xi) Such other Dissolution Events as required under the SC's Trust Deeds Guidelines or as may be advised by the Solicitors and mutually agreed between the Issuer and the PA/LA.

(B) Events relating to Sunway and/or its Material Subsidiaries (to be documented in the Trust Deed)

(i) **Non-Payment:**

There is a default by Sunway in payment of any amount due under the Transaction Documents on the due date, or if so payable on demand; or

(ii) **Breach of Obligations:**

Sunway does not comply with any provision of the Transaction Documents to which it is a party (other than the payment obligation referred to in paragraph 3.1(v)(B)(i) and compliance with the Financial Covenant referred to in paragraph 3.1(w)(1) below) and, in the case of a failure capable of being remedied, is not remedied within thirty (30) days after the earlier of Sunway becoming aware of or having been notified in writing by the Trustee of the event or situation, or such other longer remedy period as may be agreed between the Trustee and Sunway; or

(iii) **Misrepresentation:**

Any representation or statement made or deemed to be made by Sunway in the Transaction Documents to which it is a party or any other document delivered by or on behalf of Sunway under or in connection with any Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect when made or deemed to be made; or

(iv) **Cross-default:**

Any indebtedness of Sunway or any of the Material Subsidiaries becomes due and is not paid (after the expiry of any originally applicable grace period) or is capable of being declared due prematurely by reason of a default or a Dissolution Event; or

(v) **Appointment of Receiver:**

An encumbrancer takes possession of or a trustee or administrator or a receiver, or liquidator or officer similar

to any of the foregoing is appointed in respect of all or any part of the assets of Sunway or any of the Material Subsidiaries or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within sixty (60) days after being levied, enforced or sued out or any security interest which may for the time being affect any of the assets of Sunway or any of the Material Subsidiaries becomes enforceable which in the reasonable opinion of the Trustee would have a Material Adverse Effect; or

(vi)

Winding Up:

Sunway or any of the Material Subsidiaries convenes a meeting of its creditors or proposes or makes any arrangement (including a scheme of arrangement under Section 176 of the Companies Act, 1965) or composition with, or any assignment for the benefit of, its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction Sunway or any of the Material Subsidiaries becomes or is declared to be insolvent) or a petition is presented or a meeting is convened for the purposes of considering a resolution for the winding-up of Sunway and/or the Material Subsidiaries or a winding-up order is made against Sunway and/or the Material Subsidiaries unless such petition is contested in good faith and set aside within thirty (30) days (or such longer period as may be agreed by the Trustee) from the date of service of such winding-up petition, or if a winding-up order has been made against it or any event occurs by virtue of which Sunway and/or the Material Subsidiaries may be dissolved pursuant to the documents which establish the constitution of Sunway and/or the Material Subsidiaries or pursuant to which the courts of Malaysia or any other competent court would be entitled to order the dissolution of Sunway and/or the Material Subsidiaries or a moratorium is agreed or declared in respect of or affecting all or a material part of or a particular type of the indebtedness of Sunway and/or the Material Subsidiaries; or

(vii)

Invalidity or Illegality:

Any provision of the Transaction Documents to which it is a party is or

becomes or is alleged by or on behalf of Sunway to be, for any reason, invalid, unenforceable or unlawful and would have a material adverse effect on the Issuer's ability to perform its obligations under the Transaction Documents to which it is a party, or Sunway purports to repudiate any provision of the Transaction Documents to which it is a party; or

(viii) **Legal Proceedings:**

Sunway or any of the Material Subsidiaries fails to satisfy any judgment exceeding RM30 million passed against it by any court of competent jurisdiction within thirty (30) business days and no appeal against such judgment has been made to any appropriate appellate court within the time prescribed by law or such appeal has been dismissed; or

(ix) Such other Dissolution Events as required under the SC's Trust Deeds Guidelines or as may be advised by the Solicitors and mutually agreed between the Issuer and the PA/LA.

Upon the occurrence of any of the Dissolution Events, the Trustee may, or if so directed by a special resolution of all holders of the Sukuk Mudharabah ("**Sukukholders**"), declare that such Dissolution Event has occurred in respect of all the Sukuk Mudharabah, and that notwithstanding the stated maturity of all the Sukuk Mudharabah then outstanding and the profit accruing thereunder up to the date of the said declaration shall become immediately due and payable whereupon the Purchase Undertaking will be invoked, the Exercise Price will be due and payable and the Mudharabah Venture will be dissolved.

The obligations of Sunway under the Al-Kafalah Guarantee will be triggered upon the failure by the Issuer to pay the Exercise Price under the Purchase Undertaking. The Trustee shall be bound to take such proceedings against the Issuer as it may think fit and take such other steps to enforce the repayment of the Sukuk Mudharabah and the provisions of the Transaction Documents and its rights thereunder.

(w) Covenants

1. Financial Covenant

Sunway shall at all times throughout the tenure of the Sukuk Programme maintain a Net Debt to Shareholders' Funds not exceeding 1.5 times, based on the then latest available audited and consolidated financial statements of Sunway at that time.

Note:

“Net Debt” shall mean consolidated debt less cash and cash equivalents of Sunway.

“Shareholders’ Funds” shall mean the aggregate of:

- a. nominal ordinary and preference share capital for the time being issued and paid-up; and
- b. the amount standing to the credit of capital revenue reserve (share premium accounts, capital redemption reserve fund, profit & loss account).

The Financial Covenant shall be duly confirmed by the Issuer and Sunway on a semi-annual basis through a compliance certificate setting out the computations to be duly signed by either one (1) director of the Issuer OR one (1) director of Sunway, who are duly authorised to do so.

2. Positive Covenants

(A) Covenants relating to the Issuer (to be documented in the Trust Deed)

- (i) **Redemption in Full:**
The Issuer shall redeem in full all outstanding Sukuk Mudharabah in accordance with the terms and conditions of the Transaction Documents.
- (ii) **Conduct of Business:**
The Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and shall ensure that all necessary approvals and licenses required for it to carry out its business are obtained.
- (iii) **Financial Information:**
The Issuer shall not later than one hundred and eighty (180) days after the end of its financial year, furnish to the Trustee one (1) copy of its annual audited financial statements, and any other accounts, report, notice, circular, statement or other document issued by the Issuer to its members (in their capacity as such).
- (iv) **Other Information:**
The Issuer shall promptly provide to the Trustee any information relating to its affairs to the extent permitted by

law, as the Trustee may from time to time reasonably require in order to discharge its duties as trustee under the Trust Deed and the other Transaction Documents.

(v)

Compliance Certificate:

The Issuer shall not later than one hundred and eighty (180) days after the end of its financial year provide to the Trustee a certificate signed by an authorised signatory of the Issuer relating to the financial year prior to the relevant date, in which the certificate shall state the following matters:-

- a. whether or not the Issuer has observed and performed all its obligations, covenants, terms and conditions and all other provisions under or pursuant to the Sukuk Mudharabah or the Trust Deed or the other Transaction Documents;
- b. (in reasonable detail) computations as to compliance by Sunway with the Financial Covenant referred to in paragraph 3.1(w)(1) as at the date as at which those financial statements were drawn up;
- c. whether or not any Dissolution Event has happened, existed or exists, from the date the Sukuk Mudharabah were first issued and if in the affirmative to specify the details of such Dissolution Event.

(vi)

Preparation of Accounts:

The Issuer shall keep proper books and accounts at all times on a basis consistently applied in accordance with the laws of Malaysia and generally accepted accounting principles and standards in Malaysia, and will provide the Trustee and any person appointed by it (e.g. auditors), to the extent permitted by law to which the Issuer is subject to, access to such book and accounts subject to prior written notice and during normal business hours.

(vii)

Paying Agent:

The Issuer shall at all times maintain a Paying Agent with a specified office in Malaysia.

(viii)

Compliance with Transaction Documents:

The Issuer shall promptly comply with the terms and perform and carry out all its obligations under the Sukuk

Mudharabah, the Trust Deed and the other Transaction Documents to which it is a party (including but not limited to redeeming the Sukuk Mudharabah on the relevant maturity dates or any other date on which the Sukuk Mudharabah are due and payable) and ensure that it shall immediately notify the Trustee in the event the Issuer is unable to fulfill or comply with any of the provisions of the Transaction Documents.

(ix)

Immediate Notification:

The Issuer shall upon becoming aware, immediately notify the Trustee of the following:-

- a. any circumstance that has occurred that would materially prejudice the Issuer, Sunway or any security included in or created by the Sukuk Mudharabah;
- b. any change in the utilisation of proceeds from the Sukuk Mudharabah from that set out in the information memorandum or the Transaction Documents;
- c. any substantial change in the nature of business of the Issuer or Sunway;
- d. any change in the name of Sunway;
- e. any cessation of liability of guarantors for the payment of the whole or part of the moneys for which they are liable under the guarantee;
- f. any change in its withholding tax position or taxing jurisdiction; and
- g. any other matter that may materially prejudice the interests of the Sukukholders;

(x)

Notification by Paying Agent:

The Issuer shall procure that the Paying Agent notifies the Trustee in the event that the Paying Agent does not receive, in the manner provided by the Transaction Documents, the monies payable on the due date for payment in respect of the Sukuk Mudharabah or any of them.

(xi)

Dissolution Events:

The Issuer shall promptly give notice to the Trustee of the occurrence of any

Dissolution Event or of such other right or remedy under the terms, provisions and covenants of the Sukuk Mudharabah, the Trust Deed and the other Transaction Documents which shall have become enforceable or of any potential Dissolution Event forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may be reasonably requested by the Trustee to remedy and/or mitigate the effect(s) of the Dissolution Event or the potential Dissolution Event .

(xii)

Authorisations:

The Issuer shall promptly:

- a. obtain, comply with and do all that is necessary to maintain in full force and effect; and
- b. supply certified copies to the Trustee of, any authorisations, consents, approvals, filings or registrations required to enable it to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation.

(xiii)

Compliance with laws:

The Issuer shall comply in all respects with all laws to which it may be subject to, if failure so to comply would materially impair its ability to perform its obligations under the Transaction Documents.

(xiv)

Legal Existence:

The Issuer shall do all things necessary to preserve, renew and keep in full force and effect its legal existence and the authorisations, consents and licences which are material to the conduct of its business.

(xv)

Insurance:

The Issuer shall maintain and/or cause to be maintained such insurances in respect of its assets and businesses against such risks (including but not limited to third party risks and workmen's compensation) which a prudent company carrying on a business similar to that of the Issuer would normally insure.

(xvi)

Change of Business:

The Issuer shall ensure and shall procure that no substantial change is made to the general nature of the

business of the Issuer from that carried on at the date of the Trust Deed.

(xvii) **Auditors:**

The Issuer shall appoint from time to time such auditor or firm of auditors acceptable to the Trustee and authorise such auditor or firm of auditors to supply the Trustee with a certified copy of any communication sent by such auditor to the Issuer and further to communicate directly with the Trustee at any time in respect of any matter connected with the accounts and operations of the Issuer.

(xviii) **CMSA and SC:**

In addition to and without prejudice to the other provisions of the Trust Deed, limited so far as required by the CMSA, any other relevant legislation and/or so far as directed by the SC of any other relevant authority, the Issuer shall comply with all applicable laws including the provisions of the CMSA and/or the directive, written notices, circulars or guidelines issued by the SC from time to time affecting the Sukuk Mudharabah (including but not limited to the SC's Trust Deeds Guidelines and practice notes issued pursuant to Section 377(1) of the CMSA).

(B) **Covenants relating to Sunway and/or its Material Subsidiaries (to be documented in the Al-Kalafah Guarantee)**

(i) **Conduct of Business:**

Sunway shall and shall ensure that each of the Material Subsidiaries exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices and will ensure that all necessary approvals and licenses required for it and each of the Material Subsidiaries to carry out its business are obtained.

(ii) **Financial Information:**

Sunway shall not later than one hundred and eighty (180) days after the end of its financial year, furnish to the Trustee one (1) copy of its annual audited financial statements (including consolidated balance sheet and profit and loss account), and any other accounts, report, notice, circular, statement or other document issued by the Issuer to its members (in their

capacity as such).

(iii)

Other Information:

Sunway shall promptly provide to the Trustee any information relating to its affairs to the extent permitted by law, as the Trustee may from time to time reasonably require in order to discharge its duties as trustee under the Trust Deed and the other Transaction Documents.

(iv)

Compliance Certificate:

Sunway shall not later than one hundred and eighty (180) days after the end of its financial year provide to the Trustee a certificate signed by an authorised signatory of Sunway relating to the financial year prior to the relevant date, which certificate shall state the following matters:-

- a. whether or not Sunway has observed and performed all its obligations, covenants, terms and conditions and all other provisions under or pursuant to the Sukuk Mudharabah or the Trust Deed or the other Transaction Documents;
- b. (in reasonable detail) computations as to compliance by Sunway with the Financial Covenant referred to in paragraph 3.1(w)(1) as at the date as at which those financial statements were drawn up;
- c. whether or not any Dissolution Event has happened, existed or exists, from the date the Sukuk Mudharabah were first issued and if in the affirmative to specify the details of such Dissolution Event.

(v)

Preparation of Accounts:

Sunway shall and shall ensure that each of the Material Subsidiaries keep proper books and accounts at all times on a basis consistently applied in accordance with the laws of Malaysia and generally accepted accounting principles and standards in Malaysia, and will provide the Trustee and any person appointed by it (e.g. auditors), to the extent permitted by law to which Sunway and each of the Material Subsidiaries is subject to, access to such book and accounts subject to prior written notice and during normal

business hours.

(vi)

Dissolution Events:

Sunway shall promptly give notice to the Trustee of the occurrence of any Dissolution Event or of such other right or remedy under the terms, provisions and covenants of the Sukuk Mudharabah, the Trust Deed and the other Transaction Documents which shall have become enforceable or of any potential Dissolution Event forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may be reasonably requested by the Trustee to remedy and/or mitigate the effect(s) of the Dissolution Event or the potential Dissolution Event .

(vii)

Authorisations:

Sunway shall promptly:

- a. obtain, comply with and do all that is necessary to maintain in full force and effect; and
- b. supply certified copies to the Trustee of, any authorisations, consents, approvals, filings or registrations required to enable it to perform its obligations under the Transaction Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation.

(viii)

Compliance with laws:

Sunway shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Transaction Documents to which it is a party.

(ix)

Legal Existence:

Sunway shall and shall ensure its Material Subsidiaries .do all things necessary to preserve, renew and keep in full force and effect its and that of its Material Subsidiaries' legal existence and the authorisations, consents and licences which are material to the conduct of its business.

(x)

Compliance with Transaction Documents:

Sunway shall promptly comply and take all necessary steps to cause the Issuer to comply with the terms and perform and carry out all obligations under the Sukuk Mudharabah and the

Transaction Documents to which they are a party and ensure that it shall immediately notify the Trustee in the event the Issuer is unable to fulfill or comply with any of the provisions of the Transaction Documents to which it is a party.

- (xi) **Insurance:**
Sunway shall and shall ensure that the Material Subsidiaries maintain and/or cause to be maintained such insurances in respect of its assets and businesses against such risks (including but not limited to third party risks and workmen's compensation) which a prudent company carrying on a business similar to that of the Issuer and the Material Subsidiaries would normally insure.
- (xii) **Change of Business:**
Sunway shall ensure and shall procure that no substantial change is made to the general nature of the business of Sunway or the Material Subsidiaries from that carried on at the date of the Trust Deed.
- (xiii) **CMSA and SC:**
Sunway shall and take all necessary steps to cause the Issuer to comply with all applicable laws including the provisions of the CMSA and/or the directive, written notices, circulars or guidelines issued by the SC from time to time affecting the Sukuk Mudharabah(including but not limited to the SC's Trust Deeds Guidelines and practice notes issued pursuant to Section 377(1) of the CMSA) as may be applicable to Sunway and the Issuer in relation to the Sukuk Programme in their respective capacity as the Issuer and the Guarantor.

3. Negative Covenants

- (A) **Covenants relating to the Issuer (to be documented in the Trust Deed and/or Programme Agreement)**

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(i) **Related Party Transaction:**
Except otherwise contemplated in or permitted under the Transaction Documents, the Issuer shall not enter into any transaction, whether directly or indirectly with interested persons (includes directors, major shareholder or chief executive) unless:-

- a. such transaction shall be on terms that it is no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and
- b. with respect to transactions involving a value equal to or greater than RM10 million, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms.

PROVIDED THAT the Issuer certifies to the Trustee that the transaction complies with paragraph (a) above, that the Issuer has received the certification referred to in paragraph (b) above (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require.

(ii) **Constitutional Documents:**
The Issuer shall not change its memorandum and articles of association in a manner which would be inconsistent with the provisions of the Transaction Documents or in a manner which would materially and adversely affect the ability of the Issuer to perform its obligations under the Transaction Documents.

(iii) **Merger:**
The Issuer shall not consolidate or amalgamate with, or merge with or into or transfer all or substantially all its assets to another entity, unless the successor entity expressly assumes the Issuer's obligations under the Transaction Documents and after giving effect to the transaction, no Dissolution Event has occurred and is continuing.

(iv) **Invest Acquire Shares or Debentures:**

The Issuer shall not invest, acquire shares or debentures in or with any company or person (including the creation of any subsidiary) nor acquire or purchase assets if:

- a. a declaration of a Dissolution Event has been made under the Trust Deed and is continuing; and
- b. following such investment or acquisition, a Dissolution Event would occur.

(v) **Alteration of Paid Up:**

The Issuer shall not decrease or in any way whatsoever alter (other than by way of increase) the authorised or issued capital of the Issuer whether by varying the amount, structure or value thereof or the rights attached to thereto or convert any of its share capital into stock or by consolidation dividing or sub-dividing all or any of its shares.

(vi) **Negative Pledge:**

Save and except for the Permitted Security (as defined in paragraph 3.1(y)(L) below), the Issuer shall not create or permit to create or to subsist any security interest over all or any part of the assets (be it present or future) belonging to itself unless the creation of such security interest shall also secure the payment and repayment of the secured amounts in respect of the Sukuk Mudharabah on a pari passu basis.

(vii) **Restriction on Transactions:**

The Issuer shall not enter into any transaction with a person, firm or company or establish any exclusive purchasing or sales agency, or enter into any transaction whereby the Issuer might pay more than the ordinary commercial price for any purchase or might receive less than the full commercial price (subject to normal trade discounts) for its products.

(viii) **Surrender rights:**

The Issuer shall not surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents or any of them.

- (ix) **Utilisation of Proceeds:**
The Issuer shall not use the proceeds of the Sukuk Mudharabah for any purpose other than for the purpose set out in the information memorandum or the Transaction Documents.
 - (x) **Incur Liability:**
The Issuer shall not incur additional indebtedness without the Trustee's prior written consent (which consent shall not be unreasonably withheld) save and except for any indebtedness incurred or to be incurred by the Issuer for so long as the Financial Covenant referred to in paragraph 3.1(w)(1) are complied with and no Dissolution Event has occurred and is subsisting.
 - (xi) **Subordination:**
The Issuer shall not incur or permit to exist any indebtedness to any member of the Sunway Group, unless such indebtedness are subordinated to the Sukuk Mudharabah.
 - (xii) **Inter-company Transactions:**
Except otherwise contemplated in or permitted under the Transaction Documents, the Issuer shall not enter into any agreement with any member of the Sunway Group save for such agreement that is entered into:
 - (a) in the ordinary course of its business;
 - (b) on an arms-length basis; and
 - (c) the performance of which will not have a Material Adverse Effect on the Issuer.
- (B) Covenants relating to Sunway and/or its Material Subsidiaries**
- (i) **Constitutional Documents:**
Sunway shall not change its memorandum and articles of association in a manner which would be inconsistent with the provisions of the Transaction Documents to which it is a party or in a manner which would materially and adversely affect the ability of Sunway to perform its obligations under the Transaction Documents to which it is a party.
 - (ii) **Merger:**
Sunway shall not consolidate or amalgamate with, or merge with or transfer all or substantially all its assets to another entity unless the successor

entity expressly assumes Sunway's obligations under the Transaction Documents to which it is a party and after giving effect to the transaction, no Dissolution Event has occurred and is continuing.

- (iii) **Invest Acquire Shares or Debentures:**
Sunway shall not and shall ensure that no other member of the Sunway Group invest, acquire shares or debentures in or with any company or person (including the creation of any subsidiary) or acquire or purchase assets if:

- a. a declaration of a Dissolution Event has been made under the Trust Deed and is continuing; and/or
- b. following such investment or acquisition, a Dissolution Event would occur.

- (iv) **Alteration of Paid Up:**
Sunway shall not decrease or in any way whatsoever alter (other than by way of increase) the authorised or issued capital of the Issuer whether by varying the amount, structure or value thereof or the rights attached to thereto or convert any of its share capital into stock or by consolidation dividing or sub-dividing all or any of its shares save and except for any decrease in its issued capital resulting from the purchase of its own shares pursuant to section 67A of the Companies Act, 1965.

- (v) **Negative Pledge:**
Save and except for the Permitted Security (as defined in paragraph 3.1(y)(L) below), Sunway shall not create or permit to create or to subsist any security interest over all or any part of the assets (be it present or future) belonging to itself unless the creation of such security interest shall also secure the payment and repayment of the secured amounts in respect of the Sukuk Mudharabah on a pari passu basis.

- (vi) **Restriction on Transactions:**
Sunway shall not and shall ensure that its Material Subsidiaries will not enter into any transaction with person, firm or company or establish any exclusive purchasing or sales agency, or enter into any transaction whereby Sunway or its subsidiaries might pay more than the ordinary commercial price for any purchase or might receive less than the

full commercial price (subject to normal trade discounts) for its products.

(vii) **Dividends:**

Sunway shall not declare or pay any dividend or make any other distributions in respect of its share capital in so long as a Dissolution Event has occurred and is subsisting or if following the declaration and payment of dividend, a Dissolution Event will occur.

(viii) **Surrender rights:**

Sunway shall not surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents to which it is a party or any of them.

(ix) **Incur Liability:**

Sunway and the Material Subsidiaries are not allowed to incur additional indebtedness without the Trustee's prior written consent (which consent shall not be unreasonably withheld) save and except for any indebtedness incurred or to be incurred by Sunway and the Material Subsidiaries for so long as the Financial Covenant referred to in paragraph 3.1(w)(1) are complied with and no Dissolution Event has occurred and is subsisting.

(x) **Provision on buy-back and early redemption of sukuk**

Buy-back

The Issuer or any of its subsidiaries or agents or any interested person of the Issuer, which includes the directors, major shareholders and chief executive officer may, at any time, purchase any outstanding Sukuk Mudharabah at any price in the open market by way of private treaty. Any Sukuk Mudharabah so purchased by the Issuer or any of its subsidiaries or agents acting for the redemption or purchase are to be surrendered for cancellation and shall not be reissued or resold.

Any Sukuk Mudharabah held by any interested person of the Issuer (who shall include directors, major shareholders and chief executive officer) shall not entitle such interested person to vote at any of the meetings of the Sukukholders and will not be deemed to be outstanding for the purpose of determining the total votes exercisable by the Sukukholders whenever such determination is required under the Transaction Documents.

Early Redemption

The Issuer may at its option redeem all the Sukuk Mudharabah in a specific series (in whole and not in part) before their respective maturity subject to the Issuer providing a notice to the Trustee and the Facility Agent not less than

twenty-one (21) days and not more than sixty (60) days before the date of redemption ("**Early Redemption Date**") notifying the Trustee and the Facility Agent the Early Redemption Date and the series the Issuer wishes to redeem, which shall be at the option of the Issuer.

For avoidance of doubt, a series of Sukuk Mudharabah shall mean Sukuk Mudharabah with the same issue date and maturity date.

Early redemption of the Sukuk Mudharabah shall be at such price based on the formula set out in Annexure 1.

(y) **Other principal terms and conditions for the proposal**

A. Kafalah Agreement Sunway shall issue an irrevocable and unconditional Al-Kafalah Guarantee, which shall be applicable in respect of all series of the Sukuk Mudharabah in favour of the Trustee to guarantee all payment obligations of the Issuer under the Purchase Undertaking.

Sunway shall enter into a separate Kafalah Agreement with the Issuer to provide the guarantee, which is an independent arrangement from the Mudharabah Agreement.

B. Compensation for late and/or Default Payment (s) (Ta'widh) In the event of any delay in payments of any amounts due under the Purchase Undertaking, the Issuer shall pay to the Trustee for the benefit of the Sukukholders compensation on such overdue amounts at an amount and manner prescribed by the SC's SAC from time to time in accordance with the Shariah principles.

C. Purchase Undertaking and Exercise Price Separate from the Mudharabah transaction, in respect of each series of the Sukuk Mudharabah, the Issuer shall grant an undertaking to the Trustee (acting on behalf of the Sukukholders) pursuant to which the Issuer shall purchase the Trust Assets from the Trustee at the Exercise Price ("**Purchase Undertaking**") only upon the occurrence of the earliest of any of the following events:

- (i) the maturity dates of such series of the Sukuk Mudharabah; or
- (ii) the declaration of a Dissolution Event of such series of the Sukuk Mudharabah; or
- (iii) the respective early redemption dates of the Sukuk Mudharabah.

The Exercise Price shall be determined based on the following formula:

Sukuk Mudharabah with Periodic Distribution

- 1) On the maturity dates of such series of

the Sukuk Mudharabah: -

The Exercise Price shall be the purchase of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return less total Periodic Distributions paid.

- 2) On declaration of a Dissolution Event of such series of the Sukuk Mudharabah:-

The Exercise Price shall be the purchase price of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return less aggregate of Periodic Distribution(s) made and received and to be adjusted to be equivalent to the accreted value plus accrued but unpaid Periodic Distribution(s) (if any) up to the date of declaration of a Dissolution Event and shall be in accordance with the MyClear Procedures.

- 3) On the early redemption dates of such series of the Sukuk Mudharabah:-

The Exercise Price shall be at such price based on the formula set out in Annexure 1.

Sukuk Mudharabah without Periodic Distribution

In respect of Sukuk Mudharabah without Periodic Distribution, the Exercise Price shall be determined based on the following formula:

- 1) On the maturity dates: -

The Exercise Price shall be the purchase of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return less One-off Distribution.

- 2) On Dissolution Event:-

The Exercise Price shall be the Mudharabah Capital plus Expected Return less One-off Distribution made and received and to be adjusted to be equivalent to the accreted value up to the date of declaration of a Dissolution Event and shall be in accordance with the MyClear Procedures.

- 3) On Early Redemption:-

The Exercise Price shall be the purchase of the Trust Assets which shall be at such price based on the formula set out in Annexure 1.

D. Status of Sukuk Mudharabah	The Sukuk Mudharabah to be issued under the Sukuk Programme shall constitute direct, unsubordinated, unsecured, unconditional obligations of the Issuer ranking pari passu in all respects without preference or priority among themselves.
E. Transaction Documents	<p>The Sukuk Mudharabah shall be evidenced and secured, by the following documents:-</p> <ol style="list-style-type: none"> 1. Programme Agreement; 2. Securities Lodgement Form; 3. Trust Deed; 4. Tender Panel Agreement; 5. Al-Kafalah Guarantee; 6. Legal Documents in respect of a Mudharabah structure including Mudharabah Agreement, Mudharabah Declaration of Trust, Purchase Undertaking; and 7. Any other legal documentation as advised by the Solicitors.
F. Trustees' Reimbursement Account	<p>The Issuer shall open and maintain an account designated as "Trustees' Reimbursement Account" (as required under the SC's Trust Deeds Guidelines revised on 12 July 2011 and effective on 12 August 2011 ("Trust Deeds Guidelines")), in which a sum of RM30,000.00 from the monies received by the Issuer when the Sukuk Mudharabah are issued are to be deposited ("Trustees' Reimbursement Account").</p> <p>The Trustees' Reimbursement Account shall be solely operated by the Trustee and the monies shall only be used strictly by the Trustee in carrying its duties in relation to the occurrence of Dissolution Events or enforcement events which are provided in the Trust Deed. The sum of RM30,000.00 in the Trustees' Reimbursement Account shall be maintained for so long as any Sukuk Mudharabah remains outstanding.</p>
G. Redemption	Unless previously redeemed or purchased and cancelled, the Sukuk Mudharabah will be redeemed by the Issuer at 100% of its nominal value together with profit accrued (if any) to the date of redemption on their respective maturity dates.
H. Taxation	All payments shall be made free and clear of all present and future taxes, duties, withholdings or other deductions whatsoever imposed by the government of Malaysia or any political subdivision or tax authority thereof. In the event that any such taxes are in future imposed or if such withholding or deduction is required by law, the Issuer must make such additional payments as are necessary to cause the Sukukholders to receive the net amount that they would otherwise have received.

I.	Other Conditions	The Sukuk Programme shall be at all times subject to such rules and directives (whether or not having the force of law) required of or imposed on the participating financial institution(s) by the SC, BNM and/or MyClear.
J.	Governing Laws and Jurisdiction	These terms and conditions and the Transaction Documents for the Sukuk Programme shall be governed by the laws of Malaysia. The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.
K.	Voting by Sukukholders	<p>The voting of the Sukukholders under the Sukuk Programme shall be carried out as follows:-</p> <p><u>Prior to approval for upsizing of the Sukuk Programme:</u></p> <p>All matters/resolutions (save for resolutions for the purposes of the upsizing of the Sukuk Programme) which require the Sukukholders' consent under the Sukuk Programme shall be carried out on a collective basis;</p> <p><u>Approval for upsizing of the Sukuk Programme:</u></p> <p>Resolutions to be passed for the purposes of upsizing of the Sukuk Programme shall be voted by the Sukukholders on a "per series" basis; and</p> <p><u>Post upsizing of the Sukuk Programme:</u></p> <p>All matters/resolutions which require the Sukukholders' consent under the Sukuk Programmes shall be carried out on a "per series" basis.</p>
L.	Definitions	
	"Material Adverse Effect"	A material adverse effect on (a) the business, operations, property, condition (financial or otherwise) or prospects of the Sunway Group taken as a whole; (b) the ability of the Issuer or Sunway to perform its obligations under the Transaction Documents to which it is a party; or (c) the validity or enforceability of the Transaction Documents or the rights or remedies of the Trustee or the Sukukholders under the Transaction Documents.
	"Material Subsidiaries"	At any time, any subsidiary, both present and future, of Sunway which contributes at least fifteen per cent (15%) to the Sunway's consolidated group pre-tax profit based on the then latest available audited and consolidated financial statements of Sunway at that time.
	"Permitted Indebtedness"	Any indebtedness incurred or to be incurred by the Sunway Group for so long as the Financial Covenant referred to in paragraph 3.1(w)(1) are complied with and no Dissolution Event has

occurred and is subsisting.

“Permitted Security”

- (i) Any liens arising by operation of law or created in the ordinary course of business;
- (ii) Pledges created in relation to documentary credits opened in the ordinary course of trading;
- (iii) Hire purchase transactions;
- (iv) Any security interest created or to be created to secure the Permitted Indebtedness; and
- (v) Any other security interest previously disclosed to the Trustee prior to the date of the Trust Deed.

“Sunway Group”

Sunway and its direct and indirect subsidiaries and including jointly controlled entities and associate companies of Sunway.

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INFORMATION ON THE ISSUER AND SUNWAY GROUP

4.1 Corporate History

Issuer

The Issuer was incorporated in Malaysia as a private limited company on 8 April 2014 as Fantastic Prolink Sdn Bhd. The Issuer subsequently changed its name to Sunway Treasury Sukuk Sdn Bhd on 23 July 2014.

The Issuer is set up as a special purpose vehicle for the purpose of conducting treasury and financing operations, including but not limited to advancing, depositing or lending money to its related companies.

The Issuer is also a wholly-owned subsidiary of STSB.

STSB

STSB is a private limited company incorporated in Malaysia on 5 June 1997, initially as Alpine Angle Sdn Bhd which was then changed to Sunway Monorail Sdn Bhd on 24 March 1998 and subsequently to STSB on 5 July 2011, upon acquiring the status of a treasury management centre.

The principal activity of STSB is to provide financial services to Sunway Group.

The Malaysian Investment Development Authority (“MIDA”) by way of its letter dated 29 March 2013 informed STSB that its treasury management centre status has been approved subject to the conditions set out therein. As a treasury management centre, STSB provides qualifying services to its offices and related companies in and outside Malaysia which include:

- (i) Cash, financing and debt management;
- (ii) Investment services; or
- (iii) Financial risk management.

STSB is a wholly-owned subsidiary of Sunway.

Sunway

Sunway was incorporated as a private limited company under the Companies Act, 1965 on 10 November 2010 as Alpha Sunrise Sdn Bhd. Sunway subsequently changed its name to Sunway Sdn Bhd on 23 November 2010. Sunway was converted to a public limited company and assumed its present name of Sunway Berhad on 30 November 2010. Sunway was officially listed on the Main Market of the Bursa Securities on 23 August 2011.

The principal activities of Sunway are investment holding and provision of management services. Sunway, through its group of companies, is involved in the core businesses of property and construction. Other businesses include quarry and building materials, trading and manufacturing as well as hospitality, leisure and healthcare.

SUNWAY'S PRESENCE GLOBALLY

	Construction	Property Development	Property Investment	Trading and Manufacturing	Quarry	Building Materials	Healthcare
Malaysia	☑	☑	☑	☑	☑	☑	☑
Singapore	☑	☑		☑			
China		☑		☑		☑	
Australia		☑		☑			
India		☑		☑			
Vietnam			☑				
Indonesia				☑			
Thailand				☑			
Cambodia			☑				
Abu Dhabi	☑						

Each of Sunway's subsidiaries has synergistic alliances within the Sunway Group, strengthening its operations and providing a strong platform upon which the Sunway Group can expand its presence over a multitude of geographical areas. With this, the Sunway is well positioned for long term growth in the international business arena.

4.2 Key Business Segments of Sunway Group

Property Development

Sunway's Property Development division is a multiple award winning property developer with a presence in Malaysia, Singapore, China, India and Australia.

As at 30 June 2014, the Property Development division has an undeveloped land bank of approximately 3,300 acres with an estimated Gross Development Value ("**GDV**") of approximately RM50 billion. Sunway Group intends to develop this sizeable land bank to enhance its standing as a leading integrated township developer.

Its ongoing developments include its signature Sunway Resort City, the only integrated township in Malaysia with seven components including retail mall, theme park, hotel, commercial office, hospital, university campus and residence. Other key developments by Sunway include the integrated developments of Sunway Damansara, Sunway Velocity, Sunway City Ipoh and Sunway Iskandar.

Besides integrated developments, the Sunway Group has also developed and completed several boutique residential developments, including Sunway SPK Damansara, Kiara Hills, Sunway Rahman Putra, Sunway Palazzio and Sunway Kayangan, while ongoing residential developments include Sunway Montana in Taman Melawati, Sunway Eastwood in Seri Kembangan, Sunway Cassia in Penang and Sunway Lenang Heights in Johor Bahru.

In Singapore, the division had successfully launched eight residential projects together with its joint venture partner, Hoi Hup Realty Pte. Ltd. with a total GDV of close to SGD4.0 billion. The division's most recent launch was its first ever commercial project in Singapore at Novena comprising medical suites and retail shops with a GDV of approximately SGD770 million. The third component of the Novena development is a hotel, which will be sold en-bloc upon its completion. Future launches in Singapore include a low rise residential development at Mount Sophia with a GDV of approximately SGD800 million and Sunway Group's first wholly-owned development at Sembawang, featuring 15 luxury landed homes with a GDV of approximately SGD50 million.

As at 30 June 2014, the unbilled sales for the property development division was approximately RM2.4 billion.

Property Investment and REIT

The Property Investment and REIT division manages a portfolio of retail and commercial assets held directly by the Sunway Group, or indirectly, via Sunway REIT which is 34.56% owned by Sunway as at 30 June 2014.

Property Investment – Located within the integrated development of Sunway Damansara, Sunway Giza is currently the only retail asset directly owned by Sunway after the listing of Sunway REIT in July 2010. Besides retail space, Sunway directly owns two (2) university campuses, namely Sunway University and Monash University Malaysia, and their respective student accommodation. In addition, Sunway also owns two (2) office towers, namely The Pinnacle, located in Bandar Sunway and Wisma Sunway, located in Shah Alam.

REIT – Amongst Sunway REIT's assets is Sunway's flagship mall, Sunway Pyramid Shopping Mall which remains as an iconic retail destination located in Bandar Sunway, Selangor with a gross built up of 4.3 million square feet and 1.7 million square feet of net lettable area. Other retail assets owned by Sunway REIT are Sunway Putra Mall located in central Kuala Lumpur, Sunway Carnival Mall on mainland Penang

and a hypermarket in Sunway City Ipoh. Office buildings owned by Sunway REIT comprise Menara Sunway in Bandar Sunway as well as Sunway Tower and Sunway Putra Tower in central Kuala Lumpur.

Hospitality and Leisure

Sunway's chain of hotels operates under the Sunway Hotels & Resorts brand, with the division managing a range of hotels rated from 3 to 5-star with convention, meeting and exhibition facilities, luxurious villas and serviced apartments. The hotels managed include Sunway Resort Hotel & Spa, Pyramid Tower Hotel, Sunway Putra Hotel and Sunway Hotel Seberang Jaya which are owned by Sunway REIT. In addition, Sunway also owns and manages The Banjaran Hotspring Retreat and Lost World Hotel in Perak and hotels in Georgetown in Penang, Hanoi in Vietnam and Phnom Penh in Cambodia.

The leisure business mainly consists of two (2) theme parks. Sunway Lagoon Theme Park comprises five (5) themed attractions, namely the Water Park, Amusement Park, Wildlife Park, Extreme Park and Scream Park and is an increasingly popular venue to host international concerts and events. In recent years, two new attractions have been introduced at Sunway Lagoon, namely the Waterplexx 5D and the Vuvuzela, which is one of the world's tallest water rides. Meanwhile, the Lost World of Tambun Theme Park, a theme park located in Perak is surrounded by limestone hills and caves with a natural hot spring within the theme park.

Construction

Sunway's construction division is an integrated solution provider in the construction industry, offering turnkey, design and build capabilities with award-winning recognition in the fields of building and infrastructure construction, civil engineering, mechanical and electrical engineering, machinery and site equipment rental, precast concrete products and geotechnical services.

The division's expertise in both civil and building construction was recognised with the Grade G7 Contractor Award and the International Achievement Award garnered in the Malaysian Construction Industry Excellence Award in 2009 and 2013 respectively. In addition, the division's projects are consistently rated highly by agencies such as the Quality Assessment System in Construction (QLASSIC) and SIRIM. Its projects such as the Impiana KLCC Hotel extension, Everly Putrajaya Hotel and office building, Pinewood Iskandar Malaysia Studios and the extension of Universiti Teknologi Mara campus all recorded QLASSIC scores of above 75%.

As at 30 June 2014, the outstanding order book for the construction division is approximately RM3.5 billion with about 87% of the order book being domestic contracts. The outstanding order book is envisioned to keep the division busy for the next 2 to 3 years.

Completed Major Construction Projects from 2011 to June 2014

- Ministry of Housing and Local Authority and the Ministry of Women, Family and Community Development government buildings in Putrajaya
- PML Dairies factory in Port Klang
- Rihan Heights in Abu Dhabi
- Legoland Malaysia Theme Park in Johor
- Everly Hotel building and an annexed office block in Putrajaya
- Putrajaya Gas District Cooling Centre
- Upgrading of the Sultan Azlan Shah airport in Ipoh
- Pinewood Iskandar Malaysia Studios Facility in Johor
- Universiti Teknologi Mara campus expansion in Shah Alam
- Sunway Pinnacle in Bandar Sunway
- Bio-XCell Central Utilities Facility in Johor

Major Construction Projects Currently Being Undertaken

- Sg Buloh – Kajang (SBK) MRT Line (Package V4)
- Kelana Jaya Light Rail Transit Line Extension (Package B)
- Bus Rapid Transit - Sunway Line
- KLCC North East Car Park in Kuala Lumpur
- Piling and substructure works for a proposed mixed commercial development in KLCC (Package 2)
- Urban Wellness Mixed Development in Johor

- Sunway Putra Place in Kuala Lumpur
- Sunway Velocity in Kuala Lumpur
- Sunway University New Academic Block in Bandar Sunway
- Sunway Pyramid Phase 3 in Bandar Sunway
- Sunway Medical Centre Phase 3 in Bandar Sunway
- Sunway Geo Retail Shops & Flexi Suites (Phase 2) in Bandar Sunway

Trading and Manufacturing

The key strength of the trading and manufacturing division is its vast distribution network of 45 branches and warehouses covering Malaysia, Singapore, Indonesia, Thailand, China, Australia, and India. This large geographic footprint facilitates the division to pursue global sourcing, further expand its existing 116 agencies and cater to more than 6,700 customers located in 32 countries. With the replicable nature of this business model, there is potential for further penetration and expansion to new locations.

Another factor for the division's success is its associations with global brand names like DCF TREK and FP Diesel for heavy equipment parts, SANY, Furukawa, Airman, Ammann and Lonking for heavy equipment and Stainless Steel Products (SSP), Sanko, Mann, Blago and Copperstate for hoses and fittings. Besides working with the global brands, the division achieves strong brand recognition through its own brands Sunflex and Totalrubber for hoses and fittings, and Suntrak and Sunguard for heavy equipment parts. The division had also recently established 24-hour mobile servicing fleets in Singapore and Malaysia to better serve its customers.

In recent years, the division had ventured upstream into manufacturing track links and other heavy equipment parts via Sunway Daechang Forging (Anhui) Co Ltd, a joint venture with DCF Trek Co Ltd of Korea, and manufacturing of hydraulic couplings and fittings via another joint venture company, Sunway Xin Long (Anhui) Hydraulic Co Ltd. Both operations are located in Anhui, China.

Quarry and Building Materials

The quarry division is one of the larger quarry players in Malaysia with six (6) quarries and eight (8) asphalt plants located strategically all over Peninsular Malaysia.

Sunway Group's building materials division is well established with approximately 30 years' experience in providing pavement and flooring products and approximately 20 years' experience in the local piping market producing vitrified clay pipes. The pavement and flooring sub-division is the Malaysian market leader and has strategically located plants in Senai, Batang Kali and Nibong Tebal. Its product range includes inter-locking concrete pavers, Eurotiles and Concrete Imprint (Sun-Crete).

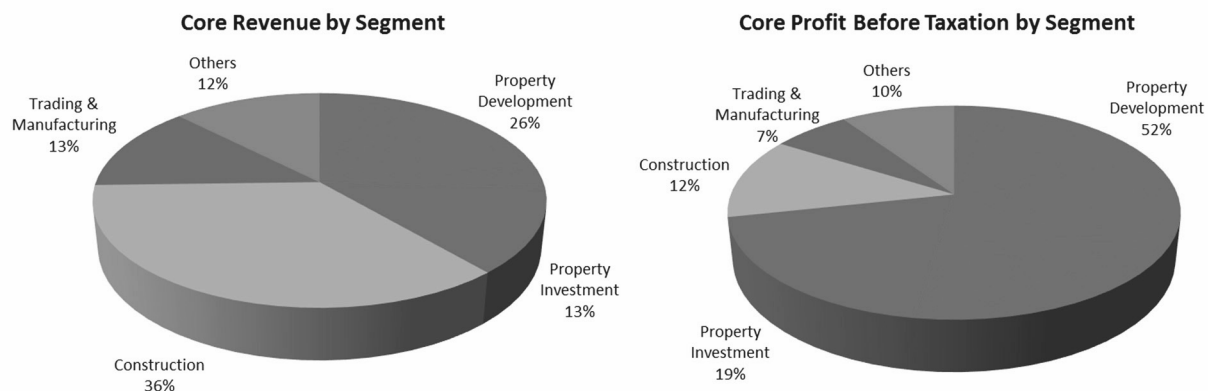
Overseas, the division has a paver plant in Shanghai and a spun pile manufacturing facility in Zhuhai, China. The spun pile manufacturing facility has an annual production capacity of over 200,000 meters of spun pile and has the capability to produce one of the longest piles in the region.

Healthcare

Sunway's healthcare division comprises the operator of Sunway Medical Centre, which has 358 beds and offers a comprehensive range of medical services including facilities and medical care for outpatient and inpatient specialty care, health and wellness programme and 24-hour emergency services.

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4.3 Financial Performance by Segment for the Audited Financial Year Ended 31 December 2013



4.4 Major Awards and Recognition

1. 2014 June BCI Asia Awards 2014 By BCI Asia Construction Information

Sunway emerged as Malaysia's Top 10 property developer for the fourth consecutive time at the BCI Asia Awards 2014. The BCI Asia Top 10 Awards is a prestigious award for the industry recognising the ten leading design and development enterprises in key Asian markets. Winning firms were identified by BCI Asia according to the aggregate value of their projects under design in 12 months preceding the award year by the extent of their sustainability and confirmed local green building ratings.

2. 2014 May FIABCI World Prix d'Excellence Awards By International Real Estate Federation ("FIABCI")

Sunway Palazzio was lauded as one of the world's Best High Rise Developments, winning a Silver at the FIABCI Prix d'Excellence Awards. The coveted awards are selected by a panel comprising top real estate professionals and experts from around the world. This is Sunway's fourth award at the Prix d'Excellence.

3. 2014 May ACHS Accreditation By Australian Council on Healthcare Standards ("ACHS")

Sunway Medical Centre became the first hospital in Southeast Asia to be awarded international accreditation by the ACHS. This milestone accreditation is a recognition of Sunway Medical Centre's commitment to deliver world-class medical care based on international evidence based standards of healthcare assessment.

4. 2014 May Leadership in Sustainability Awards By Malaysian Green Building Confederation ("MGBC")

Sunway clinched an award in the Business Leadership category from the MGBC at the inaugural Leadership in Sustainability Awards Dinner in Kuala Lumpur. Sunway will be recommended by MGBC as Malaysia's nominee at the World Green Building Council (WGBC) Asia Pacific Regional Network's Business Leadership in Sustainability Awards.

**5. 2014 April
Putra Brand Awards 2014
By Association of Accredited Advertising Agents of Malaysia (4As)**

Sunway was recently voted by some 6,000 consumers across Malaysia as amongst the best property developers and entertainment providers in the country at the Putra Brand Awards 2014. The Putra Brand Awards recognises public-listed companies, local brands and Small Medium Enterprises (“SME”) for their outstanding performance and is completely dependent on consumer choice. For Sunway, this is the fourth Putra Brand Award received in the Property Development Category.

**6. 2014 April
Frost & Sullivan’s Best Practices Awards
By Frost & Sullivan**

Sunway was honoured as Malaysia’s Builder of the Year by Frost & Sullivan, one of the world’s top global consulting firms, under the Best of the Best category.

The award recognizes companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service and strategic product development.

**7. 2013 November
National Annual Corporate Report Awards 2013 (“NACRA”)
By Bursa Malaysia Bhd, Malaysia Institute of Accountants and the Malaysia Institute of Certified Public Accountants**

Sunway retained the Industry Excellence Award – Properties & Hotels category for a record seventh consecutive year at the National Annual Corporate Report Awards 2013. Sunway Group’s associate, Sunway REIT also took home the Industry Excellence Award – REIT & Investment Funds category for the second year in a row.

**8. 2013 November
SIRIM Quality Awards 2013
By SIRIM Berhad**

The SIRIM Quality Award 2013, introduced for the first time by SIRIM Berhad, is a formal recognition of SIRIM clients who have achieved a high level of excellence in quality management systems and products in various sectors. Sunway Construction received the award for Category 1 which are companies with annual sales of more than RM100 million.

**9. 2013 November
FIABCI Malaysia Property Awards 2013
By International Real Estate Federation (FIABCI)**

Sunway Palazzio received top honours at the recent FIABCI Malaysia Property Awards, when it successfully bagged the “Best High Rise Development” award. The development which has a gross development value of over RM400 million is located in Sri Hartamas and in the vicinity of the prestigious neighbourhoods of Damansara Heights and Mont Kiara.

**10. 2013 October
The Edge Malaysia Property Excellence Awards 2013
By The Edge Malaysia**

In the annual rankings of top Malaysian developers, Sunway retained its second place in The Edge Top Property Developers Awards. This is the eleventh consecutive year Sunway has been ranked amongst the Top 10 developers in the country.

Meanwhile, Sunway’s founder and chairman, Tan Sri Dr Jeffrey Cheah received special recognition with The Edge Malaysia Outstanding Property Personality Award 2013 for his contribution to the Malaysian property industry. Sunway Resort City was also crowned The Edge Malaysia Outstanding Property Project Award 2013 reflecting the high regard placed on Sunway Group’s signature township.

11. 2013 June

**BCI Asia Awards 2013
By BCI Asia Construction Information**

This is Sunway's third consecutive win, which firmly establishes the company as one of Malaysia's Top 10 property developers.

The BCI Asia Top 10 Awards recognises the ten leading design and development enterprises in seven key Asian markets, namely Hong Kong, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam that have made the greatest contribution to the built environment in the prior year.

12. 2013 May

**2013 – 2014 Asia Pacific Property Awards ("APPA")
By International Property Awards**

Sunway Velocity emerged as 'Best Mixed-Use Development' at the recent APPA. Sunway Velocity was selected from amongst a collection of projects submitted by Asia Pacific companies from 23 different countries.

This is the third APPA award received by Sunway. In 2011, Sunway Vivaldi received the Five-Star Award for Condominium while in 2012, Sunway Rydgeway received the Highly-Commended Award for the Multiple Units Development category.

13. 2013 April

**2013 Putra Brand Awards
By Association of Accredited Advertising Agents of Malaysia (4As)**

Sunway was a winner at the 2013 Putra Brand Awards, garnering a Silver in the Property Development category. This is Sunway Group's third award, after being accorded the honour at the previous 2010 and 2011 events. The Putra Brand Awards recognises companies with brands that are valued by Malaysians.

14. 2013 March

**Malaysian Construction Industry Excellence Awards 2012 ("MCIEA")
By Construction Industry Development Board ("CIDB")**

Sunway Construction was awarded the International Achievement Award for the construction of Zayed Sports City Development, Phase 1A in Abu Dhabi. The award was granted at the MCIEA which recognises the top contractors in the country.

4.5 Board of Directors and Their Profiles

The profiles of the directors of the Issuer, STSB and Sunway as at 15 July 2014 are as follows:

(I) Issuer

- (i) Chong Chang Choong**, a Malaysian, aged 56, is a company director of the Issuer. He was appointed to the Board of the Issuer on 20 May 2014.

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

On 1 December 2010, Mr Chong joined Sunway Group as the Director of Group Corporate Affairs and is responsible in overseeing the corporate finance and treasury functions. Upon listing of Sunway Berhad, he was re-designated to Chief Financial Officer of Sunway Berhad.

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

- (ii) **Tan Poh Chan**, Malaysian, aged 53, is a company director of the Issuer. She was appointed to the Board of the Issuer on 20 May 2014.

Ms Tan commenced her career at Ernst & Young in 1984. She has attained more than 27 years of financial management expertise in various industries. After 5 years of working experience in audit, taxation and financial advisory, she joined Sunway City Berhad as an accountant. During her tenure of service, she played a key role in the expansion of Sunway Group from property development to property investment, leisure and hospitality, as well as the listing of Sunway City Berhad on the Main Market of Bursa Securities in 1996. In 1999, she was promoted to the position of General Manager- Finance and was transferred to Sunway Construction Berhad, which was taken private 5 years later.

Before her appointment as the Chief Financial Officer of Sunway City Berhad on 1 April 2008, she was the Chief Financial Officer of the construction division of Sunway Holdings Berhad. Upon listing of the Sunway Berhad on the Main Market of Bursa Securities, she assumes her current role as the Deputy Chief Financial Officer of Sunway Group. She is a member of the Malaysian Institute of Accountants (MIA).

(II) STSB

The directors of STSB are Chong Chang Choong and Tan Poh Chan and their respective profiles as at 15 July 2014 are as set out in paragraph 4.5(l) above.

(III) Sunway/Guarantor

The directors of Guarantor and their respective profiles as at 15 July 2014 are as follows:

- (i) **Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO**, a Malaysian, aged 69, is the Founder and Executive Chairman of Sunway Group, one of Malaysia's most formidable property-construction groups, with a multitude of established businesses in more than 40 locations worldwide.

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

He has been conferred nine (9) honorary doctorates by leading universities worldwide. In 2007, Tan Sri Dr Jeffrey Cheah established the eponymous "Jeffrey Cheah Foundation" and in 2009, he transferred the ownership of Sunway Education Group in entirety together with its subsidiaries worth more than RM720 million to the Jeffrey Cheah Foundation. Sunway Education Group comprises, inter alia, Sunway University, Sunway College, Monash University Malaysia, Jeffrey Cheah School of Medicine and Health Sciences and Sunway International School. Jeffrey Cheah Foundation was officially launched by the Prime Minister of Malaysia on 18 March 2010 in the presence of its foundation's patron, His Royal Highness Sultan of Selangor. To date Jeffrey Cheah Foundation has awarded RM132 million worth of scholarships to more than 13,000 outstanding students.

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

In July 2013, Tan Sri Dr Jeffrey Cheah through Jeffrey Cheah Foundation has endowed USD6.2 million in support of the Jeffrey Cheah Professorship of South-East Asia Studies at

Harvard University. Tan Sri Dr Jeffrey Cheah is also the first Malaysian to donate a Chair at Harvard University, for the Jeffrey Cheah Professorship, the Jeffrey Cheah Visiting Professorship, the Jeffrey Cheah Fellowship and the Jeffrey Cheah Travel Grants to advance teaching and research on South-East Asia Studies.

In February 2013, Tan Sri Dr Jeffrey Cheah was conferred the Honorary Assistant Commissioner of Police title by Malaysia's Inspector-General of Police for his commendable efforts in crime awareness and prevention as Chairman of Malaysia Crime Prevention Foundation (Selangor Chapter). He received 2012 Honorary Gold Award, a top honour from the Royal Rotary Club of Kuala Lumpur, in recognition of his leadership and development of education and research in Malaysia. Prior to that, he was conferred the Honorary Fellow 2012 by the Malaysian Scientific Association (MSA) for his meritorious contribution to the development of science education, as well as for his overall contribution in the advancement of science and technology in Malaysia.

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

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

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

- 2012 • Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations
- 2007 • Monash University School of Medicine and Health Sciences was named after Tan Sri Dr Jeffrey Cheah in appreciation of his contribution to Monash University Malaysia and Malaysia-Australia bilateral ties
- 2006 • His Royal Highness Sultan of Selangor installed him as the Foundation Chancellor of Sunway University
- 2002 • Deputy President of National Kidney Foundation of Malaysia
• First non-Malay Honorary Member of Kuala Lumpur Malay Chamber of Commerce
- 1999 • Founding Trustee of Malaysian Liver Foundation
- 1997 • President of Malaysian Hakka Association (until 2004)
• Council Member of the Financial Reporting Foundation
- 1996 • Appointed by the Minister of Education to the Higher Education Council of Malaysia
• Chairman of Malaysian Industry-Government Group for High Technology for Construction and Housing
• EXCO member of the Malaysian Tourism Action Council
- 1990 • Director of National Productivity Centre

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

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

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

- (ii) **Tan Sri Datuk Seri Razman M Hashim**, Malaysian, aged 75, is the Deputy Executive Chairman of Sunway. He completed his early secondary education in Australia. He studied banking where he became a Member of Australian Institute of Bankers. He has more than 39 years of experience in the banking industry.

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

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

His directorships in other public companies are ASLI Foundation, Jeffrey Cheah Foundation, SILK Holdings Berhad, Berjaya Land Berhad, MAA Group Berhad, MAA Takaful Berhad and Mycron Steel Berhad. He is the Alternate Trustee to Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling in Perdana Leadership Foundation.

- (iii) **Dato' Chew Chee Kin**, Malaysian, aged 68, is the President of Sunway. He graduated with a Bachelor of Economics (Honours) Degree from University of Malaya in 1974. He had attended the Program in Management Development at Harvard Business School in 1980.

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

Dato' Chew was appointed to the Board of Sunway on 17 June 2011.

His directorships in other public companies are ASLI Foundation and Gopeng Berhad.

- (iv) **Sarena Cheah Yean Tih**, Malaysian, aged 39, is an Executive Director of Sunway. She graduated from University of Western Australia with a Bachelor of Commerce (Accounting and Finance) Degree in 1994. She also obtained a Master Degree in Business Administration from Melbourne Business School in 2001.

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

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

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

- (v) **Wong Chin Mun**, Malaysian, aged 69, is a Senior Independent Non-Executive Director of Sunway. He graduated with Bachelor of Business (Accounting) Degree and Bachelor of Business (Secretarial Administration) Degree from Curtin University, Australia in 1972. He is a Fellow of Australian Society of Certified Practising Accountants. He is also a Member of Malaysian Institute of Accountants. He had attended the Senior Executives Program at International Management Imede Development at Lausanne, Switzerland in 1982. He also attended JUSE International Program for Total Quality Control for Top Management in Tokyo by Japanese Union of Scientists and Engineers in 1993. He is a certified senior coach and trainer of Vistage International of U.S.

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

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

Mr Wong was appointed to the Board of Sunway on 17 June 2011.

His directorship in other public company is Khind Holdings Berhad.

- (vi) **Lim Swe Guan**, Singaporean, aged 60, is an Independent Non-Executive Director of Sunway. He holds a Bachelor of Science (Estate Management) Second Class Honours Degree from University of Singapore and a Master of Business Administration from Darden School of Business, University of Virginia, United States of America. He is a Chartered Financial Analyst. Among his achievements were the gold medals won from Singapore Institute of Valuers and Singapore Institute of Surveyors.

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

Mr Lim was appointed to the Board of Sunway on 17 June 2011.

- (vii) **Datuk Seri Yam Kong Choy**, Malaysian, aged 60, is an Independent Non-Executive Director of Sunway. Datuk Seri Yam was appointed to the Board of Sunway on 17 July 2013. He graduated in Building and Management Studies from the University of Westminster, United Kingdom in 1979. He is qualified as a Fellow of the Chartered Institute of Building and also a Fellow of the Royal Institution of Chartered Surveyors.

He had an illustrious career spanning more than 30 years in the construction, real estate and corporate sectors with the last 12 years until 2008 helming 2 different award winning public listed property companies as their Chief Executive Officer. During his stewardship of these 2 companies and prior to that in top management positions with various organizations, he was actively involved in the development and management of hotels,

resorts, shopping malls, golf estates, international schools and various mixed developments not only in Malaysia but also in Australia, United Kingdom and South Africa.

After stepping down from full time employment, in 2009 he established a private equity, corporate and project management consultancy known as Impetus Alliance Advisors Sdn Bhd to provide advisory services to the industry. He is a director of the British Malaysian Chamber of Commerce and a trustee for the Standard Chartered Foundation. He is the Immediate Past President of the Real Estate and Housing Developers Association of Malaysia after recently serving the maximum of 2 terms as its President. He is a member of the Advisory Board of the City of Kuala Lumpur and was also appointed as the Chairman of InvestKL Corporation and serves as a member of the NKEA Steering Committee for the transformation of Greater Kuala Lumpur and Klang Valley apart from being an independent non-executive director of Kwasa Land Sdn Bhd, a wholly owned subsidiary of Employees Provident Fund Board.

Datuk Seri Yam was also a one time committee member of the Old Putera Association, his alumni. He was awarded the prestigious "CEO of the Year" Award by Business Times and American Express Corporate Services in 2002.

His directorships in other public listed companies are Malaysia Airports Holdings Berhad, Paramount Corporation Berhad, Standard Chartered Bank Malaysia Berhad, Standard Chartered Saadiq Berhad and Malaysia Property Incorporated.

4.6 Share Capital and Substantial Shareholdings

A. Share Capital as at 15 July 2014

(i) Issuer's Share Capital

As at 15 July 2014, the authorised share capital of the Issuer is RM400,000/- divided into 400,000 ordinary shares of RM1/- each and the issued and fully paid up capital is RM300,000/- divided into 300,000 ordinary shares of RM1/- each.

(ii) STSB's Share Capital

As at 15 July 2014, the authorised share capital of STSB is RM5,000,000/- divided into 5,000,000 ordinary shares of RM1/- each and the issued and fully paid up capital is RM2,500,002/- divided into 2,500,002 ordinary shares of RM1/- each.

(iii) Sunway's Share Capital

As at 15 July 2014, the authorised share capital of Sunway is RM10,000,000,000/- divided into 10,000,000,000 ordinary shares of RM1/- each and the issued and fully paid up capital is RM1,723,881,630/- divided into 1,723,881,630 ordinary shares of RM1/- each.

B. Substantial shareholders and their shareholdings as at 15 July 2014

(i) Issuer

Shareholder	Direct	
	No. of ordinary shares	%
Sunway Treasury Sdn Bhd	300,000	100

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(ii) STSB

Shareholder	Direct	
	No. of ordinary shares	%
Sunway Berhad	2,500,002	100

(iii) Sunway

Substantial Shareholder	Direct		Indirect	
	No. of ordinary shares	%	No. of ordinary shares	%
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, AO	76,988,939	4.47	877,610,802 ⁽¹⁾	50.91
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng	-	-	954,599,741 ⁽²⁾	55.38
Sarena Cheah Yean Tih	577,274	0.03	953,889,099 ⁽³⁾	55.33
Evan Cheah Yean Shin	134,357	0.01	953,888,110 ⁽⁴⁾	55.33
Sungei Way Corporation Sdn Bhd ("SWCSB")	830,199,999	48.16	-	-
Active Equity Sdn Bhd	-	-	830,199,999 ⁽⁵⁾	48.16
GIC Private Limited for Government of Singapore	150,666,665	8.74	-	-

Notes :

- (1) Deemed interest by virtue of Section 6A of the Companies Act 1965, held through Active Builder Sdn Bhd, Jef-San Enterprise Sdn Bhd, SWCSB and children.
- (2) Deemed interest by virtue of Section 6A of the Companies Act 1965, held through Jef-San Enterprise Sdn Bhd, spouse and children.
- (3) Deemed interest by virtue of Section 6A of the Companies Act 1965, held through Active Builder Sdn Bhd, SWCSB, spouse and parents.
- (4) Deemed interest by virtue of Section 6A of the Companies Act 1965, held through SWCSB and parents.
- (5) Deemed interest by virtue of Section 6A of the Companies Act 1965, held through SWCSB.

4.7 Sunway Group Corporate Structure

The group corporate structure of Sunway as at 15 July 2014 is set out in Annexure 3 of this Information Memorandum.

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4.8 Key Financial Highlights of Sunway Group

Set out below are the key financial highlights of Sunway Group for the financial year ended 31 December 2013:

	Financial year ended 31.12.2013 RM'000 (audited)
<u>Income Statement</u>	
Revenue	4,721,429
Profit before taxation ("PBT")	1,900,373
Profit/(loss) after taxation	1,763,335
Minority interests	272,964
Profit/(loss) after taxation and minority ("PATMI")	1,490,371
<u>Balance Sheet</u>	
Total assets	11,101,561
Total borrowings	2,795,462
Paid-up share capital	1,723,524
No. of shares in issue ("000)	1,723,524
Shareholders' equity	5,328,299
<u>Key Financial Indices</u>	
Pre-tax profit margin (%)	40.25%
Basic earnings/ (loss) per share (sen)	94.51
Diluted earnings/ (loss) per share (sen)	93.83
Net assets per share (sen)	309.15
Net tangible assets per share (sen)	290.20
Current ratio (times)	1.19
Net gearing ratio (times)	0.25

Notes:

- Pre-tax profit margin (%) : PBT divided by Revenue
- Basic earnings / (loss) per share (sen) : PATMI divided by weighted average number of shares
- Diluted earnings / (loss) per share (sen) : PATMI divided by adjusted weighted average number of shares after dilution
- Net asset per share (sen) : Shareholders' equity divided by number of shares issued
- Net tangible assets per share (sen) : (Shareholders' equity less goodwill less rock reserves) divided by number of shares issued
- Current ratio (times) : Current assets divided by current liabilities
- Net gearing ratio (times) : (Total borrowings less deposits, bank and cash balances) divided by shareholders' equity

In conjunction with the above and for information on Sunway's prior period financials, readers may also refer to Sunway's 2012 Annual Report and 2013 Annual Report (collectively, the "Annual Reports") for the consolidated financial information. The Annual Reports can be found on Sunway's Investor Relations website at <http://ir.chartnexus.com/sunway/> and on Bursa Securities' website.

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INVESTMENT CONSIDERATIONS

The purchase of the Sukuk Mudharabah may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the mitigating factors of an investment in the Sukuk Mudharabah. The following is a summary of certain aspects of the issue about which prospective holders of the Sukuk Mudharabah should be aware, but it is not intended to be complete or exhaustive. Prospective investors should undertake their own investigations and analysis on the Issuer and its group of companies, their respective businesses and the risks associated with the Sukuk Mudharabah and should consider carefully, in the light of their own financial circumstances and investment objectives, the investment considerations set forth below along with all other information set forth in this Information Memorandum before making an investment decision.

Investors should also note that each issuance under the Sukuk Programme will carry different risks and all investors should evaluate each issuance of the Sukuk Mudharabah on their respective merits. The information contained in this Information Memorandum includes forward-looking statements, which implies risks and uncertainties. Sunway Group's actual results could differ materially from those anticipated in these forward looking statements and/or otherwise projected as a result of certain factors, including but not limited to those set forth in this section.

5.1 Risks Relating to the Issuer and Sunway Group

5.1.1 The Issuer has no operating history

The Issuer was incorporated as a special purpose vehicle established for the purpose of conducting treasury and financing operations, including but not limited to advancing, depositing or lending money to its related companies. As such, the Issuer has no significant operating history or significant income or assets. The Issuer will rely indirectly on STSB and Sunway for sufficient funds to meet all payments due under the Sukuk Mudharabah.

5.1.2 Reliance On Sunway's Group Of Companies

The Guarantor is a holding company and relies mainly on its investment income, including interests and dividends from its subsidiaries and associate companies to meet its obligations including the obligations under the Sukuk Mudharabah. Its subsidiaries and associate companies are separate legal entities and have no obligations with respect to the Sukuk Mudharabah. The ability of the Issuer's subsidiaries and associate companies to pay dividends and interests on shareholder's advances (if any) and, to the extent that the Issuer relies on such dividends and interests to meet its obligations under the Sukuk Mudharabah are subject to all applicable laws and restrictions on the payment of dividends and interests contained in the articles of association of the relevant companies and in certain cases, financing or other agreements. In addition, certain outstanding indebtedness of some of the Issuer's subsidiaries and associate companies may contain covenants restricting the ability of such companies to pay dividends and interests so long as such indebtedness remains outstanding.

5.1.3 Business Risks Relating To Sunway Group

Like every other business, the performance of Sunway Group is dependent on the performance and growth of the economy. Hence, it is exposed to certain risks inherent in the property development, property investment and REIT, hospitality and leisure, construction, quarry and building materials, trading and manufacturing and healthcare industries. These include, amongst others, changes in the general economic conditions such as government laws, regulations, rules and orders, taxation, inflation, interest rates, exchange rate of foreign currencies and changes to business conditions such as deterioration in market conditions, rising cost of raw materials, building materials and labour.

Sunway Group is managed by a professional management team with proven skills and experience, and sufficient risk management measures to manage and mitigate these risks have been put in place. However, no assurance can be given that any change to these conditions will not have a material adverse effect on Sunway Group's businesses.

Property Development Business

(i) Business Risk

The property development division is generally subject to certain risks inherent in the property sector. These risks relate to rising costs of materials, shortage of inputs including raw materials and manpower, decreasing land bank in strategic locations, correlation of demand for properties to economic cycles, availability of credit and other financing facilities for future acquisition of land and for working capital, increasing interest rates, increasing competition from other property developers and changes in the legal, financial, taxation and environmental framework governing the industry.

The property development division seeks to limit these business risks through, amongst others, focusing on property development in prime areas and in integrated developments. The Sunway Group currently have geographically diversified land bank located mainly in Malaysia, Singapore and China. The division also seeks to limit the business risks by considering market demand when planning its property launches, offering innovative and quality property products, continuous sourcing for viable land banks in strategic areas, adhering to timely delivery commitment and emphasis on after sales service.

(ii) Delays In Completion Of Development Projects

Timely completion of property development projects are dependent on a number of factors, including, inter alia, obtaining the necessary approvals from land office, planning authorities and local/foreign councils as scheduled, securing construction materials in adequate amounts and satisfactory performance by appointed building contractors. Any prolonged delays in the completion of a project could adversely affect the business and financial performance of Sunway's property development division, and in turn, the profitability of Sunway Group.

Sunway Group is committed to closely monitoring the progress of its property development projects and promptly rectifying any setback in order to mitigate any risk of delay. Notwithstanding this, there can be no assurance that the abovementioned factors will not lead to delays in the completion of any of the property development projects undertaken by Sunway Group.

(iii) Inventory Build-up

Various factors such as inflation, rising interest rates, negative consumer sentiments, unattractive location of properties and oversupply of properties in the market will adversely affect the demand of the properties and eventually lead to inventory build-up. Such inventory build-up may have a direct and adverse effect on the cashflow as well as profitability of Sunway's property development division, and in turn, the profitability of Sunway Group.

The property development division seeks to mitigate this risk through timely launches of quality real estate offerings in strategic locations and in such quantity that can be absorbed by the market, establishing an extensive customer base through loyalty programmes and active marketing efforts in promoting such developments which may encourage and lead to a higher take-up rate.

(iv) Competition for Land Bank

There is intense competition among development companies for strategically located and reasonably priced land banks, labour and building materials. Competition from local and foreign property developers may result in highly competitive pricing in order to secure a particular land bank.

Nevertheless, Sunway has secured land bank of approximately 3,300 acres as of 30 June 2014 for its future development. Its key management is actively involved in continued sourcing for strategic land banks and development strategies. Sunway's

growing reputation as a leading developer is also attracting land owners to invite Sunway to jointly develop their land.

Notwithstanding this, there can be no assurance that Sunway's property development division will be able to continue to secure good land bank to sustain its operations and this may materially and adversely affect the property development division's business and financial performance, which in turn will affect the profitability of the Sunway Group.

Property Investment and REIT Business

(i) Business Risk

Sunway Group derives rental income from renting out commercial properties which mainly include Sunway Giza Shopping Mall, Monash University Malaysia, Sunway University, Wisma Sunway and The Pinnacle. The rental income would be affected by lower occupancy rate and non-renewal of existing tenancy agreements due to unfavourable economic condition.

Inability of tenants to pay the rental during difficult times will also result in provisions or write-offs of debt which will affect Sunway Group's cash flow and profitability.

Sunway Group also receives income distribution from its investment in the units of Sunway REIT. Sunway REIT's financial capability to make distributions will depend significantly on its ability to continuously lease properties to tenants on economically favourable terms, to retain its existing major tenants and/or to secure new tenants.

(ii) Deterioration in the Value of Properties

Sunway Group's property investment business is subject to changes as the following factors may adversely affect the value of Sunway Group's properties:

- the quality of its tenants;
- the physical attributes of the building in relation to the competing buildings (i.e. age, condition, design, access to public transportation); and
- the desirability of the area as a location for business, leisure etc.

The consequences of any changes to the above may have an adverse impact on Sunway Group's business, financial condition, results of operations and prospects.

Construction Business

(i) Business Risk

There are certain risks inherent in the design and construction of large scale projects such as shortages of construction materials and skilled workers, non-availability and inefficiency of equipment, price increase in construction materials and labour costs, labour disputes, the non-performance or unsatisfactory performance of subcontractors, inclement weather, natural disasters, accidents, failure or postponement in the issuance or grant of licences, permits and approvals, and unforeseen engineering or environmental problems. Construction delays, loss of revenue and cost over-runs are likely to result from such events which could in turn materially and adversely affect the construction division's business, operations and financial performance, and in turn, affect Sunway Group's profitability.

The construction division seeks to limit these business risks through, amongst others, close monitoring of the progress of all its construction projects and endeavour to promptly rectify any setback in order to ensure Sunway Group's performance is not materially and adversely affected.

(ii) Competition and Reputation Risk

The construction environment has been laden with stiff competition between contractors, which may cause a reduction in the margin of contracts, both locally and overseas. A

number of factors including projects availability, pricing, infrastructure and amenities as well as the quality and reputation of the contractors will affect the competitiveness of the contractors. The key competitive factor is reputation and reliability of the contractor. Any adverse change to the reputation of Sunway Group may materially affect the Sunway Group's ability to replenish its order book which may have an adverse effect on the sustainability of its performance and profitability of Sunway Group. Notwithstanding this, Sunway's construction division mitigates such risk on the strength of its good track record, both locally and overseas, in implementation of quality projects and services on time. The hands-on and vast experiences of its key management are also some of the attributes that has helped Sunway Group remain successful despite the cyclical nature of the industry.

(iii) Delays In Completion Of Construction Projects

Timely completion of construction projects are dependent on a number of factors, including, inter alia, obtaining the necessary approvals from the authorities and local/foreign councils as scheduled, securing construction materials in adequate amounts and satisfactory performance by appointed sub-contractors. Any prolonged delays in the completion of a project could lead to liquidated agreed damages being payable and adversely affect the business and financial performance of the Sunway's construction division, and in turn, the profitability of Sunway Group.

Sunway Group mitigates the risk of delays through its commitment to closely monitor the progress of all its construction projects and endeavour to promptly rectify any setback. Notwithstanding this, there can be no assurance that the abovementioned factors will not lead to delays in the completion of any of the construction projects undertaken by Sunway Group.

Trading and Manufacturing Business

(i) Reliance on Agency Lines

The principal activity of the trading and manufacturing division is the agency and distribution of various branded hoses and fittings, heavy equipment, heavy equipment parts and building materials. The distribution of these products is based on terms of distribution agreements signed with the manufacturers and/or principals. There is no assurance that the principals may not adversely vary the terms in the distribution agreement nor withdraw the rights for Sunway's trading and manufacturing division to distribute their products. In addition there is no assurance that customers will continue to purchase the products from Sunway as they may resort to direct purchase from the principals and/or other agents/ distributors.

Sunway is mitigating the risk of variation/ withdrawal of distribution rights through increasingly selling its products e.g. the hoses and fittings under its own branding namely Sunflex. Meanwhile, Sunway is also providing a high level of customer service to all its clients as well as seeking to continuously increase market share of the principal's products to ensure the branding and popularity of the principal's products. By providing a high level of service and/or sales of own brand items, customers are less able and less inclined to resort to direct purchase from manufacturers and/or alternative suppliers. Further, Sunway has also sought to acquire multiple agencies from different regions in each product line to ensure continuity in supply and to provide alternative choices to customers.

(ii) Competition

Due to the competitive nature of the trading and manufacturing division business, the division would need to stock up on goods to meet the immediate needs of customers. In the event demand of the stocked items declines unexpectedly, the inventory built up may adversely affect the cash flow and profitability of the trading and manufacturing division due to associated logistics and warehousing costs.

The trading and manufacturing division seeks to mitigate this risk through careful monitoring of market demand for its products and employment of business intelligence

software and inventory management systems to closely monitor its stock holdings for all its branches worldwide. Meanwhile, to differentiate its products and improve profitability, Sunway is continuously developing its own brands, namely Sunflex and Totalrubber for hoses and fittings, and Suntrak and Sunguard for heavy equipment parts. The upstream venture into manufacturing of hoses and fittings and undercarriage parts in Anhui, China, represent further steps in this direction.

(iii) Supply and Cost of Products

The manufacturing division purchases raw materials such as steel bars and semi-completed parts and components for its assembly and manufacturing operations. The availability and cost of such input materials are subject to market demand. Any adverse movements in the cost of the input materials may result in lower margins, culminating to a need to increase price.

There can be no assurance that any adverse input material price movements will not have an adverse impact on the profit margins of the Sunway Group in the event that Sunway Group is unable to pass on the additional cost by increasing the selling price of the products.

Quarry and Building Materials Business

(i) Business Risk

Given that the businesses of the construction division and the quarry and building materials divisions are closely related, certain business risks of the quarry and building materials divisions are the same as those currently relevant to the construction division.

In addition, the quarry and building materials divisions are sensitive to price fluctuations and availability of raw materials such as steel, sand, cement, bitumen and clay, as well as fluctuations in energy costs such as diesel, electricity and natural gas. Any adverse fluctuations in raw material prices and energy costs may result in lower margins, culminating to a need to increase price.

There can be no assurance that any adverse fluctuations in raw material prices or energy costs will not have an adverse impact on the profit margins of the Sunway Group in the event that Sunway Group is unable to pass on the additional cost by increasing the selling price of its products.

(ii) Leases and Licenses of Quarries

Some of the quarries under the quarry division are located on land which are under lease or licence such that its quarrying activities are subject to renewal of the said lease or licences. Although Sunway Group has been able to renew these leases or licences in the past, there can be no assurance that the quarry division will be able to renew these leases or licences in the future when they fall due. In addition, there can be no assurance that the leases or licences of its quarries will not be revoked due to non-compliance with relevant rules and regulations governing the quarrying business. Notwithstanding this, key management at Sunway's quarry division has been taking the necessary actions by having constant contact with the owners of the quarries and authorities to ensure compliance with all regulatory requirements.

In addition, a significant quarry reserve is also important to ensure the future growth and profitability of the quarrying business. The management is always on the look out for new quarries at new growth areas to ensure continuity of supply and growth.

(iii) Environmental Factors

In general, all quarries, asphalt related activities and building materials factories generate dust and noise pollution. The operator is required to monitor and control pollution caused by these activities.

Notwithstanding the steps taken, there can be no assurance that such environmental concerns will not have an adverse effect on the future quarrying operations of Sunway Group or that compliance with new legislation on environmental matters will not have a material and adverse effect on the business and prospect of the quarry division, and in turn, Sunway Group's financial performance.

Hospitality and Leisure Business

(i) Business Risk

The business is susceptible to adverse conditions affecting travelling like the outbreak of diseases or inclement weather. For instance, the outbreak of severe acute respiratory syndrome ("**SARS**") had impacted Sunway Group's leisure and hospitality operations in the past. As a consequence of SARS, some countries implemented immigration policies to restrict travellers coming from SARS affected countries or regions and several airlines reduced flights to and from such affected areas. As a result, operations and profitability were affected due to the reduced number of tourist arrivals and cancellation of hotel reservations. If SARS were to re-emerge or any other outbreaks of similar potential hazardous nature were to occur, for example avian flu or swine flu, the financial condition and operating results of the leisure and hospitality business may be adversely affected.

(ii) Competition

The success of the leisure and hospitality business depends on Sunway's ability to compete in providing the best room rates, quality of accommodation, and upgrading services and amenities including increasing the variety of theme park rides and entertainment. If Sunway fails to provide, refurbish, add or upgrade its accommodations and amenities to meet the ever increasing expectation of its customers, it may lead to reduced sales and affect its profitability.

Healthcare Business

(i) Competition

Sunway's healthcare business faces stiff competition from other local private healthcare providers. With an over-concentration of hospitals in certain locations particularly in Kuala Lumpur, Selangor and Penang, Sunway faces intense competition for consultants, nurses and patients. There can be no assurance that Sunway will be able to attract or retain its consultants, nurses and patients given the increasing number of healthcare providers in the market.

(ii) Constant Need to Upgrade Medical Facilities and Equipment

The number of patients patronising Sunway's healthcare business depends on Sunway's ability to provide state of the art medical facilities and equipment and employ the latest medical technology. As a result of this, there is a constant need to incur capital expenditure to upgrade its existing medical equipment. There is no assurance that the healthcare business can generate sufficient funds to constantly replace or upgrade its medical facilities and equipment. If Sunway fails to upgrade its medical facilities and equipment, there may be a drop in the number of patients which will in turn affect its profitability.

5.1.4 Other Risks Related to Sunway Group

Political, Economic and Regulatory Considerations

Sunway Group has operations locally as well as overseas and therefore is exposed to political, economic and regulatory risks in the countries in which it operates. As such, any adverse development in political, economic and regulatory conditions in Malaysia as well as other countries in which Sunway Group has operations could materially and adversely affect the financial performance and prospects of Sunway Group. Political, economic and regulatory uncertainties include (but are not limited to) risks of war, expropriation, nationalisation, the changes in government policies, changes in interest rates, inflation, legislation on taxation and

currency exchange rules and contracts. In addition, countries could adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations.

While Sunway Group continues to take measures to mitigate these risks including close monitoring of each government's masterplan in respect of long term economic and development policies so that it can stay ahead as well as capitalise on any regulatory changes in the industries that Sunway Group operates, there can be no assurance that any changes to the political, economic and regulatory factors will not have a material and adverse effect on the business and prospects of Sunway Group.

Dependence on Key Personnel

The Issuer believes that its continued success depends primarily upon the abilities and the continued efforts of its directors and key management personnel who are qualified and have an extensive knowledge in, amongst others, the construction, property and building materials industries. Thus, the loss of any key personnel may have an impact on its ability to operate its business or to compete effectively in the industries, and in turn could affect its financial performance and prospects to attract and retain skilled personnel.

Human resource and succession planning is a continuous effort undertaken by Sunway Group. Succession planning for key positions has been identified and the Issuer expects that in the event a position falls vacant, the Issuer will be able to replace or source experienced personnel within Sunway Group or in similar industries.

Foreign Exchange

Sunway Group has operations in various countries and as such, is exposed to various currencies, mainly United States Dollar, Singapore Dollar, Chinese Renminbi, Australian Dollar, Indonesian Rupiah, Thai Baht, Vietnam Dong and Indian Rupee. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposures. There can be no assurance that fluctuations in the foreign exchange rate will not have a material and adverse effect on Sunway Group's financial performance.

Sunway Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business activity is located or by borrowing in currencies that match the future revenue stream to be generated from its investments. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material transactions of foreign exchange exposures may be hedged, mainly with derivative financial instruments such as forward foreign exchange contracts or currency swaps.

Interest Rate

Sunway Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from Sunway Group's borrowings and deposits. Any increase in the interest rates may lead to higher borrowing costs, and in turn, affect Sunway Group's profitability. Notwithstanding this, Sunway Group actively manages the debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of Sunway Group's overall prudent liquidity management, Sunway Group maintains sufficient levels of cash or cash convertible investments to meet Sunway Group's working capital requirements. In addition, Sunway Group strives to maintain available banking facilities at a reasonable level to its overall debt position. Where possible, Sunway Group raises committed funding from both capital markets and financial institutions and balances its portfolio with short term funding so as to achieve overall cost effectiveness.

Sunway Group's credit facilities agreements with banks and financiers contain, inter alia, covenants that may limit Sunway Group's operating and financing flexibility. Any act falling within the ambit or scope of such covenants will require consent of the relevant banks or financiers. Sunway Group is aware of such covenants and has been taking all necessary preventive measures from breaching any of these agreements.

Credit Risk

Credit risk arises when derivative instruments are used or sales are made on credit terms. Sunway Group controls these risks by the application of credit approvals, limits and monitoring procedures. Sunway Group also minimises its exposure through analysing the counterparties' financial condition prior to entering into any agreements/contracts. Trade receivables are monitored on an ongoing basis via Sunway Group management reporting procedures. Sunway Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentrations of credit risk related to any financial instruments.

Sunway Group has also carried out an assessment on the recoverability of these balances and management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in Sunway Group's trade receivables.

However, there can be no assurances that Sunway Group will not be adversely affected by any unfavourable credit related effect.

Environmental Considerations

Environmental issue is increasingly an important concern for most businesses. The activities of Sunway Group are also required to comply with various environmental laws relating to water, air and noise pollution, and the disposal of waste materials.

Although environmental protection procedures and mitigating measures are implemented, there can be no assurance that such environmental concerns will not have an adverse impact on the future operations of Sunway Group, or that compliance with new legislation on environmental matters will not have an adverse material effect on Sunway Group.

Adequacy of Insurance Coverage

Although Sunway Group has taken the necessary measures to ensure that all their assets are adequately covered by insurance in accordance with standard industry practice, there can be no assurance that the coverage would be adequate for the replacement cost of the assets or any consequential losses arising thereof.

5.2 Risks Relating to the Sukuk Mudharabah

Issuer's Ability to Meet Its Obligation under the Sukuk Mudharabah

The Sukuk Mudharabah represents the direct obligations of the Issuer and shall be payable out of the Issuer's own funds. In this regard, the redemption of the Sukuk Mudharabah depends on the cash flow availability at the Issuer's level. In particular, the Sukuk Mudharabah will not be the obligations or responsibilities of, or guaranteed by any of the Principal Adviser/Lead Arranger, Lead Manager, the Facility Agent, the Trustee or any subsidiary or affiliate thereof or any other person involved or interested in the transaction envisaged under the Sukuk Programme. None of such persons will accept any liability whatsoever to the holders of the Sukuk Mudharabah in respect of any failure by the Issuer to pay any amount due under the Sukuk Programme. The Sukuk Mudharabah are, however, secured by a Al-Kafalah Guarantee by the Guarantor.

Rating

It is a condition for the establishment of the Sukuk Programme that the Sukuk Programme be rated. The rating accorded to issuances to ICPs is P1(s) and IMTNs is A2(s). The Sukuk Programme is subject to rating reviews by the rating agency annually.

A rating is not a recommendation to buy, hold or sell the Sukuk Mudharabah and there can be no assurance that such a rating will not be revised on a periodic review basis by the said rating agency during the tenure of the Sukuk Programme or that such a rating will not be withdrawn entirely if circumstances in the future warrant.

Further, such a rating is not a guarantee of repayment or that there will be no default by the

Issuer under the Sukuk Programme. If the ratings initially assigned to the Sukuk Programme are subsequently lowered or withdrawn for any reason, no person or entity will be obligated to provide any additional credit enhancement with respect to the Sukuk Mudharabah. Any downgrade or withdrawal of a rating may have an adverse effect on the liquidity and the market price of the Sukuk Mudharabah. Any reduction or withdrawal of a rating will not constitute an event of default or an event obliging the Issuer to repay the Sukuk Mudharabah.

Each Issue Carries Different Risks

The purchase of the Sukuk Mudharabah may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the mitigating factors of an investment in the Sukuk Mudharabah. Each issue of Sukuk Mudharabah under the Sukuk Programme will carry different risks and all potential investors are strongly encouraged to evaluate each Sukuk Mudharabah issuance on its own merit.

Interest Rate

As the Sukuk Mudharabah is a fixed income security, the price of the Sukuk Mudharabah may fluctuate due to the fluctuations in the expected yield applicable to relevant private debt securities at that time. Generally, the expected yield may rise in tandem to a rise in interest rates and accordingly price of the Sukuk Mudharabah may fall. Conversely, when interest rates fall, the expected yield may fall and the price of the Sukuk Mudharabah may rise.

Liquidity

The Sukuk Mudharabah comprises a new issue of securities for which no secondary market for the Sukuk Mudharabah currently exists and in the event that a secondary market for the Sukuk Mudharabah does develop, there can be no assurance that it will continue.

Furthermore, there can be no assurance regarding the future development of a market for the Sukuk Mudharabah, the liquidity or sustainability of any market that may develop, the ability of the holders of the Sukuk Mudharabah to sell their Sukuk Mudharabah, or the prices at which such holders may be able to sell their Sukuk Mudharabah. There is also no assurance that the price of the Sukuk Mudharabah will not be adversely affected by similar issues of private debt securities.

Accordingly, the purchaser who purchases or subscribes to the Sukuk Mudharabah bears the risks associated with a lack of liquidity in the Sukuk Mudharabah apart from the financial and other risks associated with an investment in the Sukuk Mudharabah.

Investors to make their own evaluation of Shariah compliance

The Shariah Adviser, by way of his Shariah Pronouncement has confirmed that the Sukuk Mudharabah are Shariah-compliant. However, the interpretation and application of Shariah principle is a matter of opinion and debate, and may be subject to differing interpretations by Shariah scholars, Shariah supervisory and advisory boards and the courts (or any arbitral tribunal). Therefore, there can be no assurance that the transaction structure or issue and trading of the Sukuk Mudharabah will be deemed to be Shariah-compliant by any other Shariah board or Shariah scholars. Potential investors are advised to obtain their own independent Shariah advice as to whether the Sukuk Programme structure meets their individual standards of compliance with Shariah principles and make their own determination as to whether to subscribe for the Sukuk Mudharabah. If the Sukuk Mudharabah is deemed not to be Shariah-compliant by potential investors' standards of Shariah compliance, they may be prohibited from investing in the Sukuk Mudharabah by virtue of their own constitutional restraints or otherwise.

5.3 General Considerations

Change of Law

The structure of the Sukuk Programme and the issue of the Sukuk Mudharabah are based on Malaysian law, tax and administrative practice in effect at the date hereof and having due regard

to the expected tax treatment of all relevant statutes under law and practice. No assurance can be given that Malaysian law, tax or administrative practice will not change after the date hereof or that such change will not adversely impact the structure of the Sukuk Programme and the treatment of the Sukuk Mudharabah.

Forward Looking Statements

Certain statements in this Information Memorandum are based on historical data, which may not be reflective of future results, and others are forward looking in nature, which are subject to uncertainties and contingencies. All forward looking-statements are based on estimates and assumptions made by the Issuer which are subject to known and unknown risks, uncertainties and other factors which may affect the actual results, performance or achievements expressed or implied in such forward-looking statements and no assurance can be given that any such forward-looking statements or estimates will be realised. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer that the plans and objectives of the Issuer will be achieved.

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INDUSTRY OVERVIEW

The following paragraphs are extracted from various sources as identified below. None of the Issuer, the Principal Adviser/Lead Arranger, Lead Manager or the Facility Agent or any other party has verified or will be held responsible for any information contained therein.

6.1 Malaysia

6.1.1 Malaysian Economy in Second Quarter of 2014

Global economic activity continued to expand at a moderate pace in the second quarter. The recovery in the US resumed after an unusual weather-related weakness in the first quarter. Growth in Japan was, however, affected by the implementation of the increase in the consumption tax in April. In Asia, economic activity continued to expand, albeit at a more moderate pace in most economies.

The Malaysian economy registered a strong growth of 6.4% in the second quarter of 2014 (1Q 2014: 6.2%), underpinned by higher exports and continued strength in private domestic demand. On the supply side, growth in the major economic sectors remained firm, supported by trade and domestic activity. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.8% (1Q 2014: 0.8%).

Public consumption declined marginally by 1.3% (1Q 2014: 11.2%), reflecting lower Government spending on emoluments, and supplies and services. Public investment declined by 3.3% (1Q 2014: -6.4%), due to lower spending on fixed assets by both the Federal Government and public enterprises.

On the supply side, growth in the major economic sectors remained strong. The services sector recorded sustained growth, supported mainly by the trade-related sub-sectors. The manufacturing sector expanded at a faster pace, underpinned by the electronics and electrical cluster, particularly semiconductors. The construction sector expanded at a more moderate pace, driven mainly by the residential and non-residential sub-sectors. Meanwhile, the agriculture sector registered strong growth, reflecting higher production of palm oil. The mining sector turned around to record positive growth, due mainly to higher production of both natural gas and crude oil.

The inflation rate, as measured by the annual change in the Consumer Price Index (CPI), averaged 3.3% in the second quarter of 2014 (1Q 2014: 3.4%). The slight decline was due to lower inflation in the food and non-alcoholic beverages and housing, water, electricity, gas and other fuels categories.

The trade surplus amounted to RM18.4 billion in the second quarter of 2014 (1Q 2014: RM26.3 billion). Gross exports grew at a stronger pace of 14.2% (1Q 2014: 10.8%), reflecting the continued expansion of global economic activity. Gross imports also increased, registering growth of 8.6% (1Q 2014: 5.5%).

The international reserves of Bank Negara Malaysia (BNM) amounted to RM423.6 billion (equivalent to USD131.9 billion) as at 30 June 2014. This reserve level has taken into account the quarterly adjustment for foreign exchange revaluation changes. As at 31 July 2014, the reserves position amounted to RM423.5 billion (equivalent to USD131.8 billion), sufficient to finance 9.0 months of retained imports and is 1.2 times the redefined short-term external debt.

(Source: Quarterly Bulletin, Second Quarter 2014, Bank Negara Malaysia)

6.1.2 Malaysia's Economic Outlook for 2014

Going forward, the global economy is expected to continue on a moderate growth path. Recent improvements in economic activity suggest that a cyclical recovery remains underway in some advanced economies. This will continue to benefit international trade activity. In Asia, domestic demand is expected to remain supportive of growth. Nevertheless, country-specific developments may affect the overall pace of growth in these economies. The overall balance of risks for the global economy thus remains biased towards the downside due to uncertainty over policy adjustments in the key economies as well as geopolitical developments. Persistent geopolitical tensions in Eastern Europe and the Middle East could heighten financial market volatility and weigh down on the on-going global economic recovery.

For the Malaysian economy, growth of exports is expected to moderate slightly in the second half of the year, partly reflecting the significant base effect in the corresponding period in 2013. Nevertheless, leading indicators suggest that private sector activity will remain as the key driver of growth. Exports will

continue to benefit from the recovery in the advanced economies and from regional demand. Going forward, the Malaysian economy is expected to remain on a steady growth path.

(Source: *Quarterly Bulletin, Second Quarter 2014, Bank Negara Malaysia*)

6.1.3 Overview and Outlook of the Construction and Property Sector and in Malaysia

Value-added of the construction sector grew 12% (January – June 2012: 18.5%) attributed to ongoing civil engineering and residential activities. The total value of construction work during the first half of 2013 rose 13.8% to RM43.3 billion (January – June 2012: 24.6%; RM38.1 billion) with the highest share contributed by civil engineering at 36.1%, followed by the non-residential (31.9%) and residential (27.5%) subsectors. The overall performance of the sector is expected to moderate to 10.6% in 2013 (2012: 18.1%) following the completion of some of the high-impact public infrastructure projects.

The civil engineering subsector expanded 21.5% (January – June 2012: 27.5%) bolstered by the ongoing implementation of infrastructure projects and corridor development. These include Besraya Eastern Extension, Seremban – Gemas – Johor electrified double-tracking project and extension of Kelana Jaya and Ampang light rail transit (LRT) lines as well as Express Rail Link (ERL) from KLIA to KLIA2. The subsector was also driven by the Economic Transformation Programme (ETP) projects, namely Tanjung Bin and Manjung coal-power plants, as well as Kimanis and Lahad Datu power plants. However, for 2013, the subsector is expected to moderate due to near completion of some major infrastructure projects, namely the Second Penang Bridge, Manjung coal-power plant and Ipoh – Padang Besar electrified double-tracking project. However, key projects including Sabah Oil and Gas Terminal (SOGT) and Sabah – Sarawak Gas Pipeline (SSGP) projects, the first phase of Sungai Buloh – Kajang MRT line works, extension of the LRT lines and Keretapi Tanah Melayu Berhad (KTMB) Komuter line Subang Jaya – sungai Buloh (Phase 1) are expected to support growth of the subsector in 2013.

The residential subsector expanded 15.7% (January – June 2012: 22%) supported by strong demand and reflected in higher construction activities with housing starts rising 20.3% to 73,804 units (January – June 2012: 13.8%; 61,351 units). In the residential segment, two and three-storey terraced houses as well as condominiums/apartments accounted for 24.9% (18,401 units) and 22.3% (16,422 units) of the total starts, respectively. During the first six months of the year, the Klang Valley continued to dominate the supply, accounting for 31% of housing starts followed by Johor (23.1%), spurred by ongoing infrastructure development (January – June 2012: 39.1%; 15.3%). To expand the supply of affordable houses, the Government has introduced the 1Malaysia Housing Programme (PR1MA) which is expected to provide 80,000 houses as announced in the 2013 Budget. As at end-June 2013, a total of 20,000 houses under 15 affordable housing projects are being constructed in the Klang Valley, Johor, Pulau Pinang, Sabah and Sarawak. In line with the Government's objective to provide affordable houses to the low-income group, Syarikat Perumahan Negara Berhad (SPNB) has constructed 5,063 units of *Rumah Mesra Rakyat 1Malaysia* as at end-June 2013. In addition, SPNB has targeted to build 7,092 units of low and medium-cost apartments and terraced houses within the next three years. Meanwhile, a total of 45 projects involving 20,454 units of houses under the *Programme Perumahan Rakyat* (PRP) will be implemented by Jabatan Perumahan Negara.

In the non-residential subsector, construction activity was subdued and declined 1% (January – June 2012: 12.8%) as reflected in the lower incoming supply, particularly in the purpose-built office (PBO) and shopping complex segments. The completion of PBO space slowed down during the last six months, with a decline to 16,198 square metres (sm) (January – June 2012: 120,234 sm). The moderating construction activity in the non-residential subsector was also due to the near completion of large industrial development projects such as the Samalaju Industrial Park in Sarawak. However, demand for commercial buildings remained stable with the average occupancy rate of office and retail space at 84.2% and 79.7%, respectively, reflecting sustained demand, particularly for commercial space located in prime areas.

Growth in the construction sector is projected to increase at a moderate pace of 9.6% in 2014 (2013: 10.6%) due to slower construction activity in the civil engineering subsector following the completion of several major infrastructure projects. However, the acceleration in implementation of transport and O&G related civil engineering projects will continue to support growth. Meanwhile, the residential subsector is expected to remain strong in view of the increased demand for housing, particularly from the middle-income group. The implementation of PR1MA housing projects, is expected to accelerate to meet the target of providing 80,000 units of houses for the middle-income group by 2015. Activity in the non-

residential subsector is expected to remain stable, albeit at a moderate pace, supported by buoyant business and industrial activities as well as improved consumer sentiment.

(Source: Chapter 3: Economic Performance Prospects, Economic Report 2013/2014, Ministry of Finance Malaysia)

6.2 Singapore

6.2.1 Singapore Economy in Second Quarter of 2014

The Singapore economy grew by 2.4 per cent on a year-on-year basis in the second quarter, moderating from the 4.8 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.1 per cent, slower than the 1.8 per cent growth in the preceding quarter.

The manufacturing sector grew by 1.5 per cent year-on-year in the second quarter, a sharp slowdown from the 9.9 per cent expansion in the preceding quarter. The deceleration in growth was largely due to a contraction in electronics output and slower growth in transport engineering output. On a quarter-on-quarter basis, the sector contracted at an annualised rate of 15.2 per cent, a reversal from the 12.3 per cent growth in the previous quarter.

The construction sector grew at a slower pace of 4.4 per cent year-on-year in the second quarter, compared to the 6.4 per cent growth in the preceding quarter. The slowdown was driven mainly by a fall in private construction output, reflecting weaker private residential building works and a decline in private commercial and industrial building works. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 0.3 per cent, a marginal improvement from the 0.5 per cent contraction in the first quarter.

In the second quarter, the wholesale & retail trade sector grew by 1.7 per cent year-on-year, slower than the 3.8 per cent expansion in the preceding quarter. This was largely due to weaker growth in the wholesale trade segment, which came on the back of a moderation in non-oil re-exports growth. On a quarter-on-quarter basis, the sector grew at an annualised rate of 3.3 per cent, reversing the 5.3 per cent contraction in the first quarter.

Growth in the transportation & storage sector slowed to 2.0 per cent on a year-on-year basis, from 5.5 per cent in the first quarter, weighed down by slower growth in the water transport segment. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector contracted by 1.6 per cent in the second quarter compared to the 3.3 per cent decline in the previous quarter.

The finance & insurance sector expanded by 5.5 per cent year-on-year in the second quarter, largely similar to the 5.7 per cent growth recorded in the previous quarter. Growth was supported by the core financial intermediation and insurance segments. On a quarter-on-quarter seasonally-adjusted annualised basis, the growth of the sector accelerated to 11.6 per cent from 4.6 per cent in the previous quarter.

The business services sector expanded at a slower pace of 2.3 per cent year-on-year compared to 3.3 per cent in the first quarter. The slowdown in growth was largely due to significantly weaker growth in the rental and leasing segment. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 1.4 per cent in the second quarter, reversing the 1.7 per cent contraction in the preceding quarter.

Growth in the accommodation & food services sector slowed to 0.5 per cent year-on-year from 2.1 per cent in the first quarter, due to weaker expansion in the accommodation segment. On a quarter-on-quarter basis, the sector contracted at an annualised rate of 1.6 per cent, in contrast to the growth of 1.6 per cent in the previous quarter. The “other services industries” grew by 2.6 per cent year-on-year in the second quarter, slightly faster than the 2.2 per cent expansion in the preceding quarter. This came on the back of stronger growth in the education, health and social services segment. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector grew by 8.9 per cent, rebounding from the 1.1 per cent decline in the previous quarter.

(Source: Press Release, Economic Survey of Singapore Second Quarter 2014, Ministry of Trade and Industry Singapore, 12 August 2014)

6.2.2 Singapore's Economic Outlook for 2014

While global growth in the first quarter of the year turned out weaker than expected, recent incoming data suggest that global economic activities are recovering modestly. Economic activities in the US improved in the second quarter following harsh weather conditions in the first quarter. For the rest of the year, the US economy is expected to grow at a slightly faster pace, supported primarily by private domestic demand. In the Eurozone, the reduced pace of fiscal consolidation and highly accommodative monetary policy are likely to support economic recovery in the second half of the year. In Asia, the Chinese economy is expected to maintain a similar pace of growth in the second half of 2014, with recent support measures introduced by the government helping to partially offset the drag posed by tighter regulations to rein in shadow banking activities. Meanwhile, key ASEAN economies like Malaysia and Indonesia are expected to remain resilient, supported by robust domestic demand.

Nonetheless, uncertainties in the global macroeconomic environment remain. In the US, there are uncertainties over the pace at which the Federal Reserve will exit from its accommodative monetary policy. Should the Federal Reserve tighten monetary conditions earlier than expected, financial markets and business sentiments in the US could be adversely affected. In China, companies may face debt repayment problems amidst the slowdown in real estate activities and tighter regulations in the shadow banking sector. A spike in default rates could in turn trigger a sudden withdrawal of funds from the financial system, thereby leading to financial instability and a sharper-than-expected slowdown in China's economic growth. Finally, should on-going conflicts in the oil-producing regions escalate, there could be upward pressures on oil prices, which would in turn weigh on global growth.

Against this backdrop, the Singapore economy is expected to grow at a modest pace in 2014. In particular, externally-oriented sectors such as finance & insurance and wholesale trade are likely to support growth in the second half of the year, in tandem with the modest pick-up in the global economy. Domestically-oriented sectors such as business services and information & communications are also expected to remain resilient in the second half of 2014. However, growth in some labour-intensive segments such as retail and food services may be weighed down by labour constraints. Taking these factors into consideration, the 2014 growth forecast for the Singapore economy is narrowed to 2.5 to 3.5 per cent.

(Source: Press Release, Economic Survey of Singapore Second Quarter 2014, Ministry of Trade and Industry Singapore, 12 August 2014)

6.2.3 Overview and Outlook of the Construction and Property Sector in Singapore

The construction sector grew by 4.8 per cent in the fourth quarter of 2013, moderating from the 6.6 per cent growth in the previous quarter.

For the whole of 2013, the sector expanded by 5.9 per cent, slower than the growth of 8.6 per cent in the previous year. Total construction output (or certified payments) increased by 5.4 per cent on the back of robust private and public residential building activities.

Construction demand (or contracts awarded) expanded by 12 per cent to \$10 billion in the fourth quarter. Growth was supported primarily by higher construction demand from the public sector. Contracts awarded by the public sector reached \$5.6 billion, the highest level since the fourth quarter of 2008. For the full year, total construction demand increased by 17 per cent to \$36 billion, setting a new record high. The increase was driven by robust construction demand from the public sector.

Construction output (or certified payments) expanded by 6.3 per cent to \$8.7 billion in the fourth quarter, supported by higher output from both public and private residential building works. For the full year, construction output increased by 5.4 per cent to reach \$33 billion, surpassing the previous peak of \$32 billion in 2012. Growth was underpinned by strong on-site construction activities for public and private residential, private industrial and civil engineering developments.

Building and Construction Authority forecasts total construction demand in 2014 to be between \$31 billion and \$38 billion. Demand from the public sector is expected to strengthen to between \$19 billion and \$22 billion, contributing close to 60 per cent of projected total construction demand. The boost to overall demand is likely to come from stronger institutional and civil engineering construction works. At the same time, private sector demand is projected to soften to between \$12 billion and \$16 billion, due to the anticipated reduction in residential construction demand as property market sentiments remain subdued following the various property cooling measures.

Total construction output in 2014 is projected to rise to between \$34 billion and \$36 billion, supported by record high levels of contracts awarded in 2013 and continued robust on-site activities from the high levels of demand since 2011.

(Source: Chapter 8.2, Economic Survey of Singapore 2013, Ministry of Trade and Industry of Singapore, published on Ministry of Trade and Industry of Singapore's website <http://www.mti.gov.sg>)

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GENERAL INFORMATION

7.1 Material litigation

Save as disclosed below, as at LPD, the Issuer and Sunway Group are not engaged in any litigation, either as plaintiff or defendant in any legal action, proceeding, arbitration, claims or prosecution for any criminal offence which has a material effect on its financial position. The Board of Directors of the Issuer is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Issuer.

- (a) Sunway City, our subsidiary, had appointed Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("**SPYTL**") as the main contractor to carry out and complete the earthworks, piling and main building works via a main building contract ("**Main Building Contract**") for a project named Cadangan Pembangunan 2 Blok Pangsapuri 20 Tingkat (160 Unit), Tempat Letak Kereta 4 Tingkat, Kemudahan Penduduk dan Tembok Penahan Di Atas Lot 48629 (F2), Jalan Sri Hartamas 3, Mukim Kuala Lumpur, Wilayah Persekutuan ("**Palazzo Project**"). SPYTL did not complete the work but terminated the Main Building Contract. SPYTL now contends at arbitration that the termination was due to Sunway City having breached the Main Building Contract. After the termination of the Main Building Contract, Sunway City thereafter appointed SunCon to complete the works.

SPYTL made a number of claims in its points of claim dated 9 March 2012 and amounts to approximately RM77,000,000.

Sunway City filed its defence and counterclaim dated 19 June 2012, counter-claiming against SPYTL for a sum of RM101,256,848.42.

SPYTL has submitted its proposed amendments to the points of claim to highlight and particularise the relief sought arising from the facts pleaded in the points of claim and Sunway City does not have objections to the said proposed amendments. Sunway City subsequently submitted its proposed amendments to the defence and counterclaim containing the consequential amendments following the amendments to the points of claim as well as the amendments to the counterclaim. Sunway City has now reduced its counterclaim against SPYTL to RM84,613,191.69 following the issuance of draft statement of final account for the completion contract. Recently, Sunway City has resolved the final accounts with SunCon and whilst the counter-claim by Sunway City against SPYTL remained the same, there is a difference of 18 sen in the final accounts. Sunway City has submitted a fresh proposed amended defence and counterclaim amending the claim amount to RM84,613,191.87 to SPYTL.

The hearings will resume on 9 March 2015 to 12 March 2015, 27 April 2015 to 30 April 2015 and 4 May 2015 to 7 May 2015.

The counsel for Sunway City is of the view that Sunway City has a reasonable counter-claim against SPYTL.

7.2 Material Contracts

Save as disclosed below, the Issuer and Sunway Group have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the past two (2) years preceding the LPD:

- (a) Sale and Purchase Agreement dated 27 December 2013 ("**SCP SPA**") between Luxor Precision Sdn Bhd and Sunway City (Penang) Sdn Bhd ("**Sunway City Penang**"), a wholly-owned subsidiary of Sunway City which in turn is wholly owned by Sunway, for the acquisition of the following four (4) pieces of freehold lands by Sunway City Penang for a total purchase consideration of RM267,418,000:
- Lot No. 1385, Tempat Relau, Mukim 13, Daerah Timur Laut, Pulau Pinang held under Geran Mukim No 264 measuring approximately 22586.4816 sq metres;
 - Lot No. 2102, Tempat Paya Terubong, Mukim 13, Daerah Timur Laut, Pulau Pinang held under Geran Mukim No. 256 measuring approximately 17148.5269 sq metres;

- Lot No. 3224, Mukim 13, Daerah Timur Laut, Pulau Pinang held under Geran 3865 measuring approximately 55195.5686 sq metres; and
- Lot no. 7629, Mukim 13, Daerah Timur Laut, Pulau Pinang held under Geran No. 39680 measuring approximately 4048 sq metres;

together with the existing buildings, plant, nurseries and other structures erected thereon (collectively the "**Lands**").

Pursuant to the SCP SPA, Sunway City Penang has acquired the Lands without vacant possession and on an "as is where is" basis including the existence of any right of way or any structures or squatters thereon subject to all conditions of title whether express or implied, affecting the Lands but otherwise free from encumbrances and subject further to any existing tenancies affecting the Lands.

The SCP SPA was completed on 27 March 2014.

- (b) Subscription and Shareholders' Agreement dated 4 December 2012 (as amended by the supplemental agreement dated 23 January 2013) ("**SSA**") between Sunway City, Iskandar Assets Sdn Bhd ("**IASB**") and Harmony Impulse Sdn Bhd (now known as Sunway Iskandar Development Sdn Bhd) ("**SIDSB**") with the intention of recording the terms and conditions of a joint venture between Sunway City and IASB whereby Sunway City and IASB have identified SIDSB as the joint venture entity to acquire and to undertake the proposed development of the following parcels of land owned by IASB, as well as to regulate the relationship of Sunway City and IASB as shareholders of SIDSB:

- Land held under H.S(D) 452850, PTD 75802, Mukim of Pulai, District of Johor Bahru measuring approximately 412.75 acres ("**Pendas North Land**"); and
- Land measuring approximately 666.32 acres held under H.S(D) 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru ("**Pendas South Land**").

The shareholdings of Sunway City and IASB in SIDSB are to be maintained at 60% and 40% respectively. The SSA became unconditional on 6 December 2013.

- (c) SIDSB has entered into a Sale and Purchase Agreement dated 4 December 2012 (as amended by the supplemental agreement dated 6 December 2013) with IASB for the purpose of acquiring the Pendas North Land on an "as is where is" basis and free from encumbrances (save for squatters) for the total purchase consideration of RM176,835,654.11 to be satisfied partly by cash, and partly by ordinary shares and redeemable preference shares of SIDSB. The Sale and Purchase Agreement became unconditional on 6 December 2013.
- (d) SIDSB has entered into a Sale and Purchase Agreement dated 4 December 2012 (as amended by a supplemental agreement dated 23 January 2013 and a second supplemental agreement dated 6 December 2013)) with IASB for the purpose of acquiring the Pendas South Land on an "as is where is" basis and free from encumbrances (save for squatters) for the total purchase consideration of RM326,602,055.39, to be satisfied partly by cash, and partly by ordinary shares and redeemable preference shares of SIDSB. The Sale and Purchase Agreement became unconditional on 6 December 2013.
- (e) Sale and Purchase Agreement dated 9 October 2012 ("**SPA**") between Sunway Medical Centre Berhad (now known as Sunway Medical Centre Sdn Bhd) ("**Sunway Medical**") and RHB Trustees Berhad (formerly known as OSK Trustees Berhad) as trustee for Sunway Real Estate Investment Trust ("**Sunway REIT**") for the acquisition by Sunway REIT of the following properties owned by Sunway Medical on an "as is where is" basis, free from all encumbrances for a total cash consideration of RM310,000,000:
- Parcel of leasehold land held under PN 12549 Lot 38160, Bandar Sunway, Daerah Petaling, Negeri Selangor ("**Land 1**");
 - Parcel of leasehold land held under PN 12550 Lot 45, Bandar Sunway, Daerah Petaling, Negeri Selangor ("**Land 2**");

- 7-storey purpose-built hospital with a lower ground floor annexed with a multi-storey car park block and convention centre, known as “Sunway Medical Centre” located at No. 5, Jalan Lagoon Selatan, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan (“**Building**”);
- All fixtures and fittings fixed or located or used in Land 1, Land 2 and the Building; and
- The services infrastructure, the property systems and facilities (including without limitation, safety, heating, lighting, plumbing, sanitation, air conditioning, ventilation, fire protection safety facilities, elevators, escalators and broadband computer system) (if any).

The SPA was completed on 31 December 2012.

7.3 Material contingent liabilities, material commitments and total borrowings

Save as disclosed below, the Board of the Issuer is not aware of any material commitments and contingent liabilities incurred or known to be incurred by Sunway Group which upon becoming enforceable may have a material impact on the financial results or position of Sunway Group:

(i) Material Commitments

Sunway’s material commitments are as follows:

Capital commitment not provided for in the financial period as at 31 March 2014 is as follows:

	(RM’000)
Amount authorised and contracted for	51,631
Amount authorised but not contracted for	787,558
	<u>839,188</u>

(ii) Contingent Liabilities

Save as below, as at 31 March 2014, the Board of the Issuer is not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or the net asset (“**NA**”) of the Sunway Group:

	(RM’000)
Guarantees given to third parties in respect of contracts and trade performance	<u>2,331,543</u>

(iii) Total Borrowings

The total borrowings of Sunway Group as at 31 March 2014 are RM3,007,791,000.

7.4 Conflict of interest and appropriate mitigating measures

After making enquiries as were reasonable in the circumstances, the Issuer is not aware of any circumstances which may potentially give rise to a conflict of interest situation between the Issuer and the parties involved in setting up and/or maintaining the Sukuk Programme.

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ANNEXURE 1
PRICING FORMULA FOR THE EARLY REDEMPTION OF THE SUKUK MUDHARABAH

Price payable by the Issuer in the event of early redemption.

For ICPs

Price payable = Nominal value of the ICPs

For IMTNs

Price payable = the higher of NV or the ERS.

Each series of the Sukuk Mudharabah shall be redeemed (in whole but not in part). For avoidance of doubt, a series of Sukuk Mudharabah is defined as the Sukuk Mudharabah with the same issue date and maturity date.

Where:

Early Redemption Date : Date for the early redemption.

NV : Aggregate nominal value of the Sukuk Mudharabah to be redeemed, expressed in RM.

ERS : Early Redemption Sum, shall be calculated by the Facility Agent based on the following formula and the calculation of the Facility Agent shall be final and binding:

$$ERS = \frac{(NV \times ERP)}{100}$$

Profit : Original Profit Rate for each series of the Sukuk Mudharabah expressed as a percentage per annum.

YTM_R : Reference MGS plus Spread.

Reference MGS : Reference MGS shall be the MGS rates for the tenure which is equal to the remaining tenure of the series and shall be determined prior to the redemption of the IMTNs from:

(a) the latest consolidated Government Securities Rates (Conventional) published by BNM daily, two (2) business days prior to the early redemption notice; or

(b) if (a) above is not available, the arithmetic average of the mid-rates quoted by any five (5) principal dealers, two (2) business days prior to early redemption notice date or in the case where the rate for a particular tenure is not available directly, then such a rate shall be extrapolated on a linear basis using the available arithmetic average mid-rates;

PROVIDED THAT if the remaining tenure of the series is not an integer, the Reference MGS shall be the arithmetic mean of the rates of the two nearest tenures derived from (a) or (b) above.

Spread : Spread expressed as basis point (bps) shall be determined prior to the issuance of the Sukuk Mudharabah as follows:

Remaining years to maturity	Spread (bps)			
	Rating AA3	Rating A1	Rating A2	Rating A3
1.0	[•]	[•]	[•]	[•]
2.0	[•]	[•]	[•]	[•]
3.0	[•]	[•]	[•]	[•]
4.0	[•]	[•]	[•]	[•]
5.0	[•]	[•]	[•]	[•]
6.0	[•]	[•]	[•]	[•]
7.0	[•]	[•]	[•]	[•]

ERP : Early redemption price per RM100.00 (2 decimal places) subject to a minimum of RM100.00, calculated as follows:

(i) For IMTNs with Periodic Distribution:

$$ERP = \left(\frac{100}{[1 + YTM_R / 2]^{(N-1) + (S/T)}} \right) + \left(\sum_{k=1}^N \frac{[100 \times (profit/2)]}{[1 + YTM_R / 2]^{(k-1) + (S/T)}} \right) - \left(\frac{U}{T} \times \frac{100 \times profit}{2} \right)$$

N : Number of Periodic Distribution Date(s) between maturity date and Early Redemption Date, inclusive of both the maturity date and Early Redemption Date.

S : Number of days from the Early Redemption Date to the immediate next Periodic Distribution Date.

T : Number of days between the immediate preceding Periodic Distribution Date (from the Early Redemption Date) to the immediate next Periodic Distribution Date (following the Early Redemption Date).

U : Number of days from the immediate preceding Periodic Distribution Date (from the Early Redemption Date) to the Early Redemption Date.

(ii) For IMTNs without Periodic Distribution:

$$ERP = \frac{100}{[1 + YTM_R / 2]^{(M-1) + (V/W)}}$$

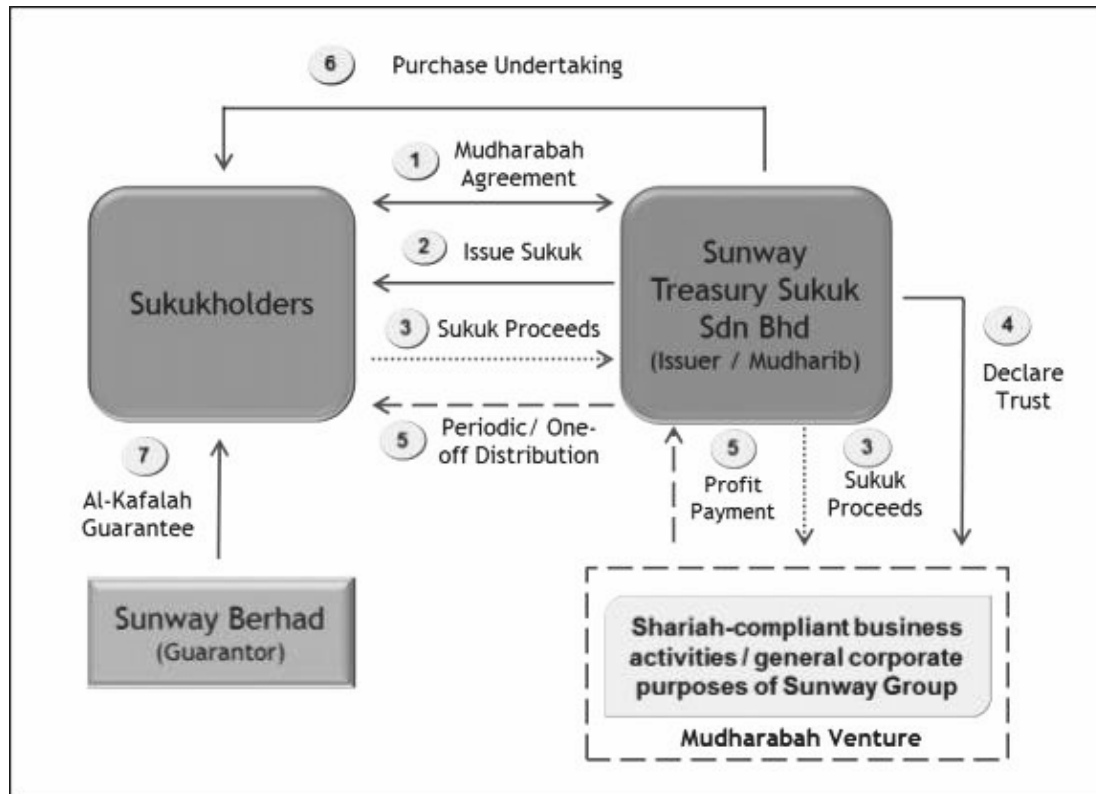
M : Number of Subsequent Dates between the Early Redemption Date and the maturity date, inclusive of both the Early Redemption Date and the maturity date.

“**Subsequent Date(s)**” means the date(s) which shall fall on the last day of the successive six (6) month periods (“**Subsequent Period**”), the first period of which shall commence on the issue date.

V : Number of days from the Early Redemption Date to the immediate next Subsequent Date.

W : Number of days in the Subsequent Period within which the Early Redemption Date falls.

ANNEXURE 2
DIAGRAMMATICAL ILLUSTRATION OF THE SUKUK MUDHARABAH



STEP:

- 1) The Issuer (as “**Mudharib**”) shall enter into a Mudharabah contract with the Trustee acting on behalf of the investors (as “**Rabb al-mal**”). Pursuant to the Mudharabah contract, the investors (“**Sukukholders**”) shall from time to time provide capital to the Issuer for the purpose of the Sukukholders’ investment in Sunway Treasury Sukuk Sdn Bhd’s (“**Issuer**”) Shariah-compliant business which includes the provision of Islamic inter-company advances or investment into the Shariah-compliant business activities or general corporate purpose of companies within the Sunway Group (“**Mudharabah Venture**”).
- 2) The Issuer shall issue the Sukuk Mudharabah to investors (“**Sukukholders**”).
- 3) Proceeds from the Sukuk Mudharabah represent 100% of the Sukukholders’ capital contribution in the said Mudharabah Venture.
- 4) The Issuer shall subsequently make a declaration of trust (“**Declaration of Trust**”) over the undivided rights and entitlements of the Sukukholders under the Mudharabah Venture (“**Trust Assets**”) for the benefit of the Sukukholders. The Sukuk Mudharabah hence represents each of the Sukukholders’ undivided proportionate beneficial interests in the Mudharabah Venture.
- 5) Profits generated from the Mudharabah Venture will be shared and distributed between the Rabb al-mal and the Mudharib according to a pre-agreed profit sharing ratio (“**PSR**”) of 99:1, while losses will be borne solely by the Rabb al-mal. In respect of Sukuk Mudharabah with periodic distributions, the payment of profits shall be distributed semi-annually or such other period to be agreed (“**Periodic Distribution(s)**”) to the Sukukholders. In respect of Sukuk Mudharabah without Periodic Distribution(s), the payment of profits shall be distributed to the Sukukholders on

a one-off basis (the “**One-off Distribution**”) on the respective maturity dates of such Sukuk Mudharabah.

- 6) The Issuer shall undertake to purchase the Trust Assets from the Trustee (acting on behalf of the Sukukholders) via a Purchase Undertaking upon occurrence of the earlier of the respective maturity dates of the Sukuk Mudharabah or declaration of a Dissolution Event or on Early Redemption.
- 7) Sunway Berhad (as “**Guarantor**”) shall guarantee the obligations of the Issuer under the Purchase Undertaking. The Guarantor shall enter into a separate Kafalah Agreement with the Issuer to provide the guarantee, which is an independent arrangement from the Mudharabah Agreement.

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ANNEXURE 3
CORPORATE STRUCTURE OF SUNWAY GROUP AS AT 15 JULY 2014

<p>Property Development</p> <ul style="list-style-type: none"> • Sunway Integrated Properties Sdn Bhd • Sunway South Quay Sdn Bhd • Sunway PKNS Sdn Bhd (formerly known as Sunway Damansara Sdn Bhd) • Sunway D'Mont Kiara Sdn Bhd • Sunway City (Penang) Sdn Bhd • Sunway Bintang Sdn Bhd • Sunway City Properties Sdn Bhd • Sunway City (Ipoh) Sdn Bhd • Sunway Tunas Sdn Bhd • Sunway Semenyih Sdn Bhd • Sunway City (JB) Sdn Bhd • Sunway Iskandar Sdn Bhd * • Sunway Iskandar Development Sdn Bhd * • Sunway Monterez Sdn Bhd • Sunway Grand Sdn Bhd • Sunway Melawati Sdn Bhd • SunwayMas Sdn Bhd • Sunway Termuning Sdn Bhd • Sunway Rawang Heights Sdn Bhd • Sunway Kanching Heights Sdn Bhd • Sunway Bangi Sdn Bhd • Sunway Eastwood Sdn Bhd • Hoi Hup Sunway Development Pte Ltd *# • Hoi Hup Sunway J.V. Pte Ltd *# • Hoi Hup Sunway Property Pte Ltd *# • Hoi Hup Sunway Miltonia Pte Ltd *# • Hoi Hup Sunway Tampines Pte Ltd *# • Hoi Hup Sunway Yuan Ching Pte Ltd *# • Hoi Hup Sunway Pasir Ris Pte Ltd *# • Hoi Hup Sunway Novena Pte Ltd *# • Hoi Hup Sunway Mount Sophia Pte Ltd *# • Sunway Land Pte Ltd # • Sunway Australia Unit Trust # • Sunway Opus International Private Limited *# • Sunway MAK International Private Limited *# • Sunway Guanghao Real Estate (Jiangyin) Co. Ltd # • Tianjin Eco-City Sunway Property Development Co. Ltd *# • Alliance Parade Sdn Bhd • Associated Circle Sdn Bhd • Commercial Parade Sdn Bhd • Bisikan Seni Sdn Bhd • Imbasan Intisari Sdn Bhd • Tidal Elegance Sdn Bhd • Emerald Freight Sdn Bhd • Park Symphony Sdn Bhd • Winning Excellence Sdn Bhd • Contemporary Factor Sdn Bhd • Prosper Revenue Sdn Bhd <p>Healthcare</p> <ul style="list-style-type: none"> • Sunway Medical Centre Sdn Bhd • SunMed@Homes Sdn Bhd • SunMed Clinics Sdn Bhd 	<p>Property Investment</p> <ul style="list-style-type: none"> • Sunway Pinnacle Sdn Bhd • Sunway Giza Mall Sdn Bhd • Sunway Giza Parking Sdn Bhd • Sunway Destiny Sdn Bhd • Sunway MUSC Sdn Bhd • Sunway Monash-U Residence Sdn Bhd • Sunway Residence Sdn Bhd • Sunway Pyramid Development Sdn Bhd • Sunway Velocity Mall Sdn Bhd • Sunway REIT Management Sdn Bhd • Sunway Real Estate Investment Trust *^ • Sunway PFM Sdn Bhd • Sunway IFM Sdn Bhd • Sunway Parking Services Sdn Bhd • Sunway Mall Parking Sdn Bhd • Sunway Ambience Sdn Bhd • Sunway Facility Management Sdn Bhd • Sunway Symphony Sdn Bhd • Sunway Century Sdn Bhd • Area Star Sdn Bhd • Rich Worldclass Sdn Bhd • Sunway Tower 1 Sdn Bhd • Sunway Townhouse Sdn Bhd • Frontier Acres Sdn Bhd • Shahawan (M) Sdn Bhd • Sunway Orient Sdn Bhd • Sunway Leisure Sdn Bhd • Sunway REM Sdn Bhd (formerly known as Sunway Tower 2 Sdn Bhd) <p>Trading and Manufacturing</p> <ul style="list-style-type: none"> • Sunway Marketing Sdn Bhd • Sunway Enterprise (1988) Sdn Bhd • Sunway Hydraulic Industries Sdn Bhd • Sunway Marketing (East Malaysia) Sdn Bhd • Sunway Hose Centre Sdn Bhd • Sunway Architectural Products Sdn Bhd • Sunway Marketing (S) Pte Ltd # • Sunway Marketing (Thailand) Ltd # • PT Sunway Flowtech # • PT Sunway Trek Masindo # • PT Sunway Pacific Flow # • Sunway Totalrubber Ltd (formerly known as Totalrubber Ltd) # • Pacific Flow Technology Pty Ltd # • Sunway Totalrubber Services Franchising Pty Ltd (formerly known as Total Rubber Services Franchising Pty Ltd) # • Sunway Trek Australia Pty Ltd # • Sunway Xin Long (Anhui) Hydraulic Co Ltd # • Sunway Trading (Shanghai) Pte Ltd # • Sunway Daechang Forging (Anhui) Co Ltd # • Sunway International Trading (Tianjin) Pte Ltd # • Sunway Opus International Trading Private Limited #
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Investment Holdings and Others

- Sunway City Sdn Bhd
- Sunway Holdings Sdn Bhd
- Sunway Holdings (Vietnam) Sdn Bhd
- Sunway Global Limited #
- Sunway Management Sdn Bhd
- Sunway Shared Services Sdn Bhd
- Sunway BPO Sdn Bhd
- Sunway Leasing Sdn Bhd
- SWL Nominees (Tempatan) Sdn Bhd
- Sunway Elite Sdn Bhd
- Sunway Credit Sdn Bhd
- Sunway Risk Management Sdn Bhd
- Sunway Integrated Outsourcing Sdn Bhd
- Sunway Captive Insurance Ltd
- Gopeng Berhad *^
- SunCity Vietnam Sdn Bhd
- Hochimex Nominee Company Limited #
- Sunway City (S'pore) Pte Ltd #
- Sunway City (India) Pte Ltd #
- Sunway Real Estate (China) Limited #
- Eastern Glory Enterprises Limited #
- Konsep Objektif (M) Sdn Bhd
- Sunway REIT Holdings Sdn Bhd
- Sunway Treasury Sdn Bhd
- Sunway Treasury Sukuk Sdn Bhd
(formerly known as Fantastic Prolink Sdn Bhd)
- Sunway Investment Management Consultancy
(Shanghai) Co. Ltd #
- Sunway Hospitality Holdings Limited #
- International Theme Park Pty Ltd #
- Sunway Developments Pte Ltd #
- Fortuna Gembira Enterpris Sdn Bhd
- Hartford Lane Pty Ltd #
- Reptolink Sdn Bhd
- Sunway FSSC Sdn Bhd
- Sunway Labuan Investment Ltd
- Sunway Pals Loyalty Sdn Bhd
(formerly known as Sunway Direct Sdn Bhd)
- Deco Style Sdn Bhd
- Sunway Design Sdn Bhd
- Sunway Southern Management Sdn Bhd
(formerly known as Prosper Generation Sdn Bhd)
- Sunway Pendas Management Sdn Bhd
(formerly known as Winning Desire Sdn Bhd)
- Sunway Nursery and Landscape Sdn Bhd
(formerly known as Trillion Desire Sdn Bhd) *

Quarry

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

Hospitality

- Sunway Resort Hotel Sdn Bhd
- Sunway Putra Hotel Sdn Bhd
- Sunway Biz Hotel Sdn Bhd
(formerly known as Sunway Hotel (Penang) Sdn Bhd)
- Sunway Hotel (Seberang Jaya) Sdn Bhd
- Sunway Lost World Hotel Sdn Bhd
- Sunway International Hotels & Resorts Sdn Bhd
- Kinta Sunway Resort Sdn Bhd
- Sunway Hotel Phnom Penh Ltd #
- Sunway Hotel Hanoi Liability Limited
Company with one member #
- Sunway Forum Hotel Sdn Bhd
(formerly known as Sunway Pyramid Hotel Sdn Bhd)
- Allson International Management Limited #
- Allson International Hotels & Resorts (BVI)
Limited #

Building Materials

- Sunway Paving Solutions Sdn Bhd
- Sunway VCP Sdn Bhd
- Sunway Building Materials (Shanghai) Co Ltd #
- Sunway Spun Pile (Zhuhai) Co Ltd #

Construction

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

Leisure

- Sunway Lagoon Sdn Bhd
- Sunway Lost World Water Park Sdn Bhd
- Sunway Lagoon Club Berhad
- Sunway Travel Sdn Bhd
- Sunway International Vacation Club Berhad
- Sunway Healthy Lifestyle Sdn Bhd
- Sunway Leisure Services Sdn Bhd
- Pyramid Bowl Sdn Bhd*

Notes:

This Group Corporate Structure excludes dormant companies.

Overseas company

^ Public listed company

* Associated company / Joint venture company

ISSUER

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