

Chairman's Statement

LEADING IN CORPORATE GOVERNANCE AND CORPORATE RESPONSIBILITY

While we work on delivering value to shareholders, the Group is simultaneously enhancing transparency, accountability and integrity of the organization by strengthening internal controls and governance structures. As testament to our continued focus on transparency and accountability, the Group took home three awards at the National Annual Corporate Report Awards (NACRA) 2012 ceremony including the Industry Excellence Award in the Properties & Hotels category for the sixth consecutive year and our first ever Silver Award for Corporate Social Responsibility. Meanwhile, our associate, Sunway REIT clinched its first Industry Excellence Award in the new category of REITs & Closed-End Funds.

In addition, Sunway's Sustainability Report was internationally acclaimed, garnering an A+ rating, the highest possible rating, from the Global Reporting Initiative ("GRI") body. The GRI is a leading authority in the field of non-financial reporting and is a non-profit organisation that promotes economic sustainability. Whilst we are pleased with the award, it is more significant that our efforts in corporate social responsibility in the three focused pillars of education, healthcare and community are now communicated to the public so that there can be greater awareness for the causes we had helped in the past.

The Group is also honoured that Sunway Resort City has been recognised as Malaysia's first green township, as certified by Green Building Index ("GBI"). Needing to be at least 15% green to be certified as a green township, Sunway Resort City exceeded that requirement by more than double as we were found to be more than 30% green based on the extensive list of criteria developed by GBI. As we continue to build more properties around the region, we will look forward to applying the same standard of sustainable features to ensure the sustainability and well-being of all the developments we attach our name to.

RECOGNITION FOR EXCELLENCE

In 2012, the Group received more than 30 awards recognizing its leadership position in a multitude of industries and areas of expertise. We would like to thank all our customers, employees, suppliers, regulatory bodies, awarding bodies and other stakeholders for their recognition of our commitment to excellence and Sunway pledges to maintain our award winning standards, if not improve it.

But just to highlight a few achievements, we are proud to note that we have been a top property developer in Malaysia for a decade, successfully maintaining our position in The Edge Top Property Developers Awards for the tenth time in 2012. Last year we improved further on our ranking and are currently ranked as the second best developer in the country.

Another substantial achievement was by the Banjaran Hotsprings Retreat which garnered the FIABCI Prix d' Excellence Award in the Best Resort Development category at the ceremony in Russia, amidst an international field of competitors. This was the second consecutive year a

Sunway property has been honored at the event and the third time the Group has received the prestigious award. We feel these awards are significant as they prove our developments are of world class standards.

We are also delighted that the “Sunway” brand is gaining greater equity and has been going up the ranks as Malaysia’s Most Valuable Brand. Currently ranked 20th, we are optimistic that Sunway’s brand promise of “Providing a better future for the communities in which we build, serve and live within” will fuel further growth in the value and perception of the Sunway branding.

OUTLOOK AND PROSPECTS

The Malaysian economy, in which Sunway largely operates, is expected to remain largely stable and supportive of growth despite uncertain external economic conditions. Bank Negara Malaysia, in its 2012 Annual Report, has revised its real GDP growth forecast to 5%-6% for 2013 indicating increasing optimism of the prospects of the economy.

With this in mind, the Group has recently announced a rights issue of ordinary shares at RM1.70 per rights share for every three existing Sunway shares held. Besides strengthening the balance sheet, it provides the Group with resources to take on any opportunities that may arise and ensure the Group’s expansion plans including the development of its valuable investment properties will not be disrupted in any eventuality.

We believe that this latest development, coupled with the achievements we have made last year, in terms of addition to the Group’s order book, land bank and unbilled property sales, provide immediate and long term visibility to the Group’s future performance and financial strength.

ACKNOWLEDGEMENT

With that, I would like to thank all our employees, business partners, suppliers, customers, regulators and government bodies, and all other stakeholders whose support and cooperation has been integral to our achievements in the year just passed. We look forward to our continued relationship as we drive each other to greater heights.

Tan Sri Dato’ Seri Dr Jeffrey Cheah Fook Ling, AO
Executive Chairman