

SUNWAY BERHAD (Company No : 921551-D)
(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2012	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2011	CURRENT YEAR TO DATE 31/3/2012	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2011
	RM'000	RM'000	RM'000	RM'000
REVENUE	814,765	833,711	814,765	833,711
OPERATING EXPENSES	(770,477)	(807,670)	(770,477)	(807,670)
OTHER OPERATING INCOME	16,117	17,352	16,117	17,352
PROFIT FROM OPERATIONS	<u>60,405</u>	<u>43,393</u>	<u>60,405</u>	<u>43,393</u>
GAIN/ (LOSS) ON DERIVATIVES	248	3,173	248	3,173
FINANCE INCOME	5,533	3,808	5,533	3,808
FINANCE COSTS	(24,137)	(16,492)	(24,137)	(16,492)
SHARE OF PROFIT FROM ASSOCIATES	18,875	17,112	18,875	17,112
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES	23,975	28,225	23,975	28,225
PROFIT BEFORE TAX	<u>84,899</u>	<u>79,219</u>	<u>84,899</u>	<u>79,219</u>
INCOME TAX EXPENSE	(18,501)	9,702	(18,501)	9,702
PROFIT FOR THE PERIOD	<u>66,398</u>	<u>88,921</u>	<u>66,398</u>	<u>88,921</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	64,447	68,289	64,447	68,289
- NON-CONTROLLING INTERESTS	1,951	20,632	1,951	20,632
	<u>66,398</u>	<u>88,921</u>	<u>66,398</u>	<u>88,921</u>
EARNINGS PER SHARE				
(i) BASIC (sen)	<u>4.99</u>	<u>5.28</u>	<u>4.99</u>	<u>5.28</u>
(ii) DILUTED (sen)	<u>4.99</u>	<u>4.40</u>	<u>4.99</u>	<u>4.40</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2012	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2011	CURRENT YEAR TO DATE 31/3/2012	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2011
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	66,398	88,921	66,398	88,921
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(16,750)	(7,918)	(16,750)	(7,918)
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	38,238	-	38,238	-
- AMOUNT RECYCLED TO PROFIT OR LOSS	<u>(30,690)</u>	<u>-</u>	<u>(30,690)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>(9,202)</u>	<u>(7,918)</u>	<u>(9,202)</u>	<u>(7,918)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>57,196</u>	<u>81,003</u>	<u>57,196</u>	<u>81,003</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	57,116	62,585	57,116	62,585
- NON-CONTROLLING INTERESTS	80	18,418	80	18,418
	<u>57,196</u>	<u>81,003</u>	<u>57,196</u>	<u>81,003</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	AS AT END OF CURRENT QUARTER 31/3/2012	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2011 (Restated)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	979,449	960,567
Biological assets	471	416
Investment properties	925,979	888,896
Rock reserves	8,146	8,379
Land held for property development	993,616	1,017,292
Investment in associates	1,017,417	1,015,303
Investment in jointly controlled entities	381,672	265,896
Other investments	1,798	1,849
Derivative assets	10,455	33,600
Receivables	441	7,013
Goodwill	326,497	326,497
Other intangible assets	2,887	-
Deferred tax assets	33,081	33,308
	<u>4,681,910</u>	<u>4,559,016</u>
Current assets		
Properties development costs	640,527	669,334
Inventories	436,245	451,840
Receivables, deposits & prepayments	1,282,785	1,319,145
Deposits, bank & cash balances	791,836	776,705
Tax recoverable	67,277	67,588
	<u>3,218,670</u>	<u>3,284,612</u>
TOTAL ASSETS	<u>7,900,579</u>	<u>7,843,628</u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	1,884,276	2,005,566
Bank borrowings	474,282	319,222
Taxation	28,814	27,098
Derivative liabilities	859	1,554
	<u>2,388,232</u>	<u>2,353,440</u>
Non-current liabilities		
Long term bank borrowings	1,904,757	1,934,472
Other long term liabilities	152,378	154,686
Derivative liabilities	304	182
Deferred taxation	48,372	47,914
	<u>2,105,811</u>	<u>2,137,254</u>
Total liabilities	<u>4,494,043</u>	<u>4,490,694</u>
Equity attributable to Owners of the Parent		
Share capital	1,292,505	1,292,505
Share premium	2,326,509	2,326,509
Equity Contribution from non-controlling interests	35,376	35,376
Negative merger reserve	(1,192,040)	(1,192,040)
Retained profits	505,254	440,801
Other reserves	114,489	121,820
	<u>3,082,093</u>	<u>3,024,971</u>
NON-CONTROLLING INTERESTS	<u>324,443</u>	<u>327,963</u>
Total equity	<u>3,406,536</u>	<u>3,352,934</u>
TOTAL EQUITY AND LIABILITIES	<u>7,900,579</u>	<u>7,843,628</u>
Net Assets Per Share	2.38	2.34

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	ATTRIBUTABLE TO OWNERS OF THE PARENT															DISTRIBUTABLE		NON-CONTROLLING INTERESTS	TOTAL EQUITY
	EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS					NON-DISTRIBUTABLE										RETAINED PROFITS	TOTAL	RM'000	RM'000
	SHARE CAPITAL	SHARE PREMIUM		NEGATIVE MERGER RESERVE	OTHER RESERVES, TOTAL	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN EXCHANGE RESERVE	FAIR VALUE RESERVE	STATUTORY RESERVE	REVALUATION RESERVE	SHARE OPTION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE & FITTINGS RESERVE					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
PERIOD ENDED 31 MARCH 2011																			
At 1 January 2011 (as previously stated)	1,292,505	2,326,509	-	(1,173,563)	176,800	109,312	203	(8,002)	49,967	618	22,501	2,201	-	-	-	2,622,251	385,837	3,008,088	
Effects of adopting Amendments to FRS112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,331	31,331	55	31,386
At 1 January 2011 (as restated)	1,292,505	2,326,509	-	(1,173,563)	176,800	109,312	203	(8,002)	49,967	618	22,501	2,201	-	-	-	31,331	2,653,582	385,892	3,039,474
Total comprehensive income	-	-	-	-	(5,704)	-	-	(5,704)	-	-	-	-	-	-	-	68,289	62,585	18,418	81,003
Redemption of redeemable preference shares	-	-	-	-	113	-	113	-	-	-	-	-	-	-	-	(113)	-	-	-
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,028)	(4,028)	(1)	(4,029)
Effect of FRS 139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	459	459	(152)	307
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(188)	(188)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,578)	(6,578)
Share of depreciation transfer on land, net of tax by an associated company	-	-	-	-	(144)	-	-	-	-	-	(144)	-	-	-	-	193	49	-	49
At 31 March 2011 (as restated)	1,292,505	2,326,509	-	(1,173,563)	171,065	109,312	316	(13,706)	49,967	618	22,357	2,201	-	-	-	96,131	2,712,647	397,391	3,110,038
PERIOD ENDED 31 MARCH 2012																			
At 1 January 2012 (as previously stated)	1,292,505	2,326,509	35,376	(1,192,040)	121,820	34,137	75,521	(24,156)	21,643	879	22,357	3,170	(13,780)	2,049	401,263	2,985,433	326,366	3,311,799	
Effects of adopting Amendments to FRS112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,538	39,538	1,597	41,135	
At 1 January 2012 (as restated)	1,292,505	2,326,509	35,376	(1,192,040)	121,820	34,137	75,521	(24,156)	21,643	879	22,357	3,170	(13,780)	2,049	440,801	3,024,971	327,963	3,352,934	
Total comprehensive income	-	-	-	-	(7,331)	-	-	(14,879)	-	-	-	-	7,548	-	64,447	57,116	80	57,196	
Effect of FRS 139	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6	(54)	(48)	
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,637)	(3,637)	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	91	
At 31 March 2012	1,292,505	2,326,509	35,376	(1,192,040)	114,489	34,137	75,521	(39,035)	21,643	879	22,357	3,170	(6,232)	2,049	505,254	3,082,093	324,443	3,406,536	

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2012

	FOR THE 3 MONTHS PERIOD ENDED 31/3/2012	FOR THE 3 MONTHS PERIOD ENDED 31/3/2011
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	1,114,593	975,706
Payment to suppliers and contractors	(771,413)	(578,597)
Payment of operating expenses	(293,097)	(341,133)
Interest received	1,012	6,263
Dividend received from associate and jointly controlled entity	19,619	31,198
Cash generated from operations	<u>70,714</u>	<u>93,437</u>
Taxes refunded	2,820	185
Taxes paid	(18,609)	(20,831)
Net cash generated from operating activities	<u>54,925</u>	<u>72,791</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	3,744	3,679
Proceeds from other investment	42	-
Acquisition of land	(3,438)	(10,678)
Acquisition of property, plant & equipment and biological assets	(20,265)	(12,233)
Additional investment in subsidiaries	-	(10,583)
Acquisition and subsequent expenditure of investment properties	(17,611)	(14,409)
Investment in associates	(2,873)	(2,375)
Repayment from/ (advances to) associates, jointly controlled entity and joint venture partners	(4,671)	93,443
Investment in jointly controlled entities	(90,047)	(719)
Net cash (used in)/generated from investing activities	<u>(135,119)</u>	<u>46,125</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	111,834	(21,713)
Interest paid	(27,431)	(12,183)
Proceeds from issuance of ordinary shares	-	15,546
Redemption of preference share in other investments	-	10,853
Dividend paid to non-controlling interests of subsidiaries	(1,200)	(188)
Net cash generated from/(used in) financing activities	<u>83,203</u>	<u>(7,685)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,009	111,231
EFFECTS OF EXCHANGE RATE CHANGES	(4,818)	(5,602)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	776,705	856,193
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>774,896</u>	<u>961,822</u>
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	791,836	976,327
Bank overdrafts	(16,940)	(14,505)
	<u>774,896</u>	<u>961,822</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO FINANCIAL STATEMENTS :

A1 Accounting Policies and Basis of Preparation

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities, inter alia, that are within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

The Group falls within the scope of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. For the financial year ending 31 December 2012, the Group will continue to prepare financial statements using the Financial Reporting Standards ("FRS").

The interim financial report is unaudited and is prepared in accordance with FRS134 " Interim Financial Reporting " and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2011 except for the adoption of the following new FRSs, amendments to FRSs and IC Interpretations that are effective for financial statements effective from 1 January 2012, as disclosed below:

IC Interpretation 19
Amendments to IC Interpretation 14
Amendments to FRS 1

Amendments to FRS 7
Amendments to FRS 112
FRS 124

Extinguishing Financial Liabilities with Equity Instruments
Prepayments of a Minimum Funding Requirement
Severe Hyperinflation and Removal of Fixed Dates for
First-time Adopters
Disclosures - Transfers of Financial Assets
Deferred Tax - Recovery of Underlying Assets
Related Party Disclosures

The adoption of the above pronouncements does not have significant impact to the Group, except as described below:

Amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140: Investment Property should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116: Property, Plant and Equipment to be always measured on a sale basis of that asset.

The effects on adoption of Amendments to FRS 112 on the opening reserves of the Group and other items of the consolidated statements of financial position as at 1 January 2012 are as follows:

Balance Sheet as at 1 January 2012	Before the adoption of Amendments to FRS 112 RM'000	Effects on adoption of Amendments to FRS 112 RM'000	After the adoption of Amendments to FRS 112 RM'000
Retained profits	401,263	39,538	440,801
Deferred taxation	89,049	(41,135)	47,914
Non-controlling interests	326,366	1,597	327,963

A2 Report of the Auditors

The report of the auditors of preceding annual financial statements was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors except for the leisure and hospitality segments which normally peaks during major festive seasons and holidays.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2012 except for the following:

Current and preceding year corresponding quarter

	31/03/12 RM'million	31/03/11 RM'million
Profit before tax as reported	84.9	79.2
Gain on derivatives ¹	(0.2)	(3.2)
Listing expenses ²	-	7.5
Profit before tax excluding unusual items	84.7	83.5
Profit after tax and non-controlling interests as reported	64.4	68.3
Gain on derivatives ¹	(0.2)	(3.2)
Listing expenses ²	-	7.5
Reversal of taxation ³	-	(17.2)
Profit after tax and non-controlling interests excluding unusual items	64.2	55.4

During the 1st quarter ended 31 March 2012:

¹ The Group recognised RM0.2 million (profit before and after tax and non-controlling interests) in gain on derivatives as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement. For the corresponding quarter ended 31 March 2011, the Group recognised RM3.2 million (profit before and after tax and non-controlling interests) in gain on derivatives.

² The Group incurred expenses of RM7.5 million (profit before and after tax and non-controlling interests) in the corresponding quarter ended 31 March 2011 in relating to the listing of the Company.

³ The Group reversed RM17.2 million (profit after tax and non-controlling interests) of taxation provided in the corresponding quarter ended 31 March 2011 following a successful tax treatment appeal to the Australian Tax Office.

A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 31 March 2012.

A6 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period under review.

A7 Dividend Paid

There was no dividend paid during the financial period ended 31 March 2012.

A8 Segmental Reporting

Segmental results for the financial period ended 31 March 2012 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	160,109	130,526	258,955	147,670	37,354	113	80,038	-	814,765
Inter-segment sales	-	19,634	26,210	28,618	1,928	(13,466)	9,931	(72,855)	-
Total Revenue	160,109	150,160	285,165	176,288	39,282	(13,353)	89,969	(72,855)	814,765
Results									
Operating segment results	18,127	21,173	7,364	12,352	920	(4,854)	5,323	-	60,405
Gain on derivatives	-	-	(38)	-	-	286	-	-	248
Finance income	1,899	983	1,536	165	112	-	838	-	5,533
Finance costs	(2,249)	(17,650)	(799)	(1,047)	(140)	(80)	(2,172)	-	(24,137)
Share of results of associated companies	2	18,873	-	-	-	-	-	-	18,875
jointly controlled entities	23,629	-	346	-	-	-	-	-	23,975
Profit before taxation	41,408	23,379	8,409	11,470	892	(4,648)	3,989	-	84,899
Taxation	(7,984)	(5,904)	(2,031)	(2,072)	86	109	(705)	-	(18,501)
Profit for the period	33,424	17,475	6,378	9,398	978	(4,539)	3,284	-	66,398
Non controlling interests	(1,760)	295	(485)	(266)	-	376	(111)	-	(1,951)
Attributable to owners of the parent	31,664	17,770	5,893	9,132	978	(4,163)	3,173	-	64,447

	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
	RM'000	RM'000	RM'000	RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	673,943	57,515	40,907	37,736
Singapore	45,728	29,445	27,879	27,879
China	40,661	(3,861)	(4,032)	(2,886)
India	-	(159)	(159)	(159)
Australia	19,228	1,310	1,310	1,222
Abu Dhabi	8,441	(1,083)	(1,083)	(1,083)
Other Countries	26,764	1,732	1,576	1,738
	814,765	84,899	66,398	64,447

Core segmental results (excluding unusual items as per Note A4) for the financial period ended 31 March 2012 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	160,109	130,526	258,955	147,670	37,354	113	80,038	-	814,765
Inter-segment sales	-	19,634	26,210	28,618	1,928	(13,466)	9,931	(72,855)	-
Total Revenue	160,109	150,160	285,165	176,288	39,282	(13,353)	89,969	(72,855)	814,765
Results									
Operating segment results	18,127	21,173	7,364	12,352	920	(4,854)	5,323	-	60,405
Finance income	1,899	983	1,536	165	112	-	838	-	5,533
Finance costs	(2,249)	(17,650)	(799)	(1,047)	(140)	(80)	(2,172)	-	(24,137)
Share of results of associated companies	2	18,873	-	-	-	-	-	-	18,875
jointly controlled entities	23,629	-	346	-	-	-	-	-	23,975
Profit before taxation	41,408	23,379	8,447	11,470	892	(4,934)	3,989	-	84,651
Taxation	(7,984)	(5,904)	(2,031)	(2,072)	86	109	(705)	-	(18,501)
Profit for the period	33,424	17,475	6,416	9,398	978	(4,825)	3,284	-	66,150
Non controlling interests	(1,760)	295	(485)	(266)	-	376	(111)	-	(1,951)
Attributable to owners of the parent	31,664	17,770	5,931	9,132	978	(4,449)	3,173	-	64,199

	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
	RM'000	RM'000	RM'000	RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	673,943	57,267	40,659	37,488
Singapore	45,728	29,445	27,879	27,879
China	40,661	(3,861)	(4,032)	(2,886)
India	-	(159)	(159)	(159)
Australia	19,228	1,310	1,310	1,222
Abu Dhabi	8,441	(1,083)	(1,083)	(1,083)
Other Countries	26,764	1,732	1,576	1,738
	814,765	84,651	66,150	64,199

A9 Valuation of Property, Plant and Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A10 Material events

There were no material events subsequent to the current quarter ended 31 March 2012.

A11 Changes in the Composition of the Group

There was no material change in the composition of the Group for the current quarter ended 31 March 2012 except for the following:

- (a) On 9 January 2012, Sunway Creative Stones Sdn. Bhd., a subsidiary of the Company, had entered into an Equity Transfer Agreement with Chin Fun Foo for the proposed disposal of 200,000 shares of USD1.00 each, representing 100% equity interest in Sunway Creative Stones (Xiamen) Co. Ltd. ("SCS Xiamen") for a total cash consideration of RMB1,600,000 (equivalent to approximately RM780,000). As a results of the disposal, SCS Xiamen ceased to be a subsidiary of the Company.

A12 Contingent Liabilities and Assets

Details of contingent liabilities of the Group as at the date of issue of the report are as follows:

	31/3/2012 RM'000	31/12/2011 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,101,673</u>	<u>2,275,002</u>

There were no other material changes in contingent liabilities since the last annual reporting date.

There were no contingent assets.

A13 Commitments

- (a) Capital commitment not provided for in the financial year as at 31 March 2012 is as follows:

	31/3/2012 RM'000	31/12/2011 RM'000
Amount authorised and contracted for	33,631	39,043
Amount authorised but not contracted for	<u>1,146,725</u>	<u>1,094,913</u>
	<u>1,180,356</u>	<u>1,133,956</u>

- (b) Operating lease commitment not provided for in the financial year as at 31 March 2012 is as follows:

	31/3/2012 RM'000	31/12/2011 RM'000
Future minimum lease payment:		
- not later than 1 year	58,325	62,217
- later than 1 year and not later than 5 years	189,300	186,367
- later than 5 years	<u>135,305</u>	<u>143,818</u>
	<u>382,930</u>	<u>392,402</u>
Future minimum lease receipts:		
- not later than 1 year	42,500	29,753
- later than 1 year and not later than 5 years	218,899	126,863
- later than 5 years	<u>202,572</u>	<u>323,313</u>
	<u>463,971</u>	<u>479,929</u>

B1 Review of Performance

For the quarter

The Group recorded revenue of RM814.8 million and profit before tax of RM84.7 million for the current quarter ended 31 March 2012 as compared to revenue of RM833.7 million and profit before tax of RM83.5 million for the corresponding quarter ended 31 March 2011. The current quarterly profits were underpinned by the Group's property, construction and trading and manufacturing businesses.

The property development segment reported revenue of RM160.1 million during the current quarter as compared to the revenue of RM203.1 million recorded in the corresponding quarter in the previous financial year. However, profit before tax of RM41.4 million for the current quarter was higher than the RM35.5 million recorded in the same prior year quarter. The higher profit was mainly due to the stronger profit contribution from the Group's property projects in Singapore which more than offset the lower billings and profits recorded from the local property developments.

The property investment segment reported revenue of RM130.5 million and profit before tax of RM23.4 million for the current quarter as compared to revenue of RM109.0 million and profit before tax of RM30.4 million for the corresponding quarter in the previous financial year. The lower current profit was mainly due to the higher interest expense incurred following the restructuring of the Group's borrowings to optimise the total group tax benefits.

The construction segment registered revenue of RM 259.0 million and profit before tax of RM8.4 million for the current quarter as compared to revenue of RM277.1 million and profit before tax of RM15.9 million recorded in the corresponding quarter in the previous financial year. The stronger financial results in the same prior year quarter was due to the strong contribution from the Abu Dhabi project which achieved practical completion at the end of 2011. In addition, the current quarter performance was also partly dampened by the slower progress billings of some of the local projects and delay in the commencement work of the Light Rail Transit project.

The trading and manufacturing segment reported revenue of RM147.7 million and profit before tax of RM11.5 million as compared to the revenue of RM133.1 million and profit before tax of RM11.7 million for the corresponding quarter in the previous financial year. Despite a more challenging economic environment, this segment continued to demonstrate resilience.

The quarry segment reported revenue of RM37.4 million and profit before tax of RM0.9 million as compared to revenue of RM40.7 million and profit before tax of RM0.07 million in the previous year's corresponding quarter. The current quarter's profit was better due to the lower forex loss incurred from its Vietnam operation.

The other segment reported revenue of RM80.0 million and profit before tax of RM4.0 million as compared to revenue of RM68.8 million and a loss before tax of RM0.1 million. The improved performance was mainly due to the turnaround in the healthcare unit from a loss of RM 2.1 mil in the previous year's corresponding quarter to a profit before tax of RM2.0 million for the current quarter.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM814.8 million and profit before tax of RM84.7 million for the current quarter ended 31 March 2012 as compared to revenue of RM921.4 million and profit before tax of RM141.6 million achieved in the preceding quarter.

The lower financial results for the current quarter was mainly due to lower property sales and seasonality factors explained below.

The property development segment reported revenue of RM160.1 million and profit before tax of RM41.4 million in the current quarter, as compared to revenue of RM246.3 million and profit before tax of RM82.7 million in the immediate preceding quarter. The lower current quarterly profit was mainly due to slower local property sales which was dampened by the stricter lending guidelines imposed by Bank Negara recently.

The property investment segment reported revenue of RM130.5 million and profit before tax of RM23.4 million in the current quarter as compared to revenue of RM157.2 million and profit before tax of RM41.1 million in the immediate preceding quarter. The lower financial results was largely due to seasonality factors as the leisure and hospitality businesses under the property investment segment usually generate their peak earnings in the fourth quarter of the financial year.

The construction segment reported revenue of RM259.0 million and a profit before tax of RM8.4 million in the current quarter, as compared to revenue of RM252.2 million and a profit before tax of RM1.1 million in the immediate preceding quarter. The lower profit before tax in the preceding quarter was due to the RM23 million provision for impairment losses of plant and machinery and doubtful debts. After taking into consideration of such provision, the current quarter performance was lower in terms of core earnings. The factors which affected the current quarter earnings were explained in Note B1 earlier.

B3 Prospects

In view of the uncertain global economic outlook due to the on-going sovereign debt crisis plaguing Europe and the lower economic growth in Malaysia, the Group expects new property sales to moderate in the short to medium term. The property market sentiment is also dampened by the stricter lending guidelines rolled-out by Bank Negara recently.

However, the property investment business is expected to achieve satisfactory performance due to the stable operating environment of the leisure and hospitality businesses and the steady recurring share of profits from Sunway Real Estate Investment Trust and rental income from other investment properties.

Although the construction business had a slow start in the first quarter, the Group expects this business to deliver satisfactory results due to the total construction order book of approximately RM4.0 billion already in hand. The progressive construction billings will improve when construction regains its momentum.

The Group's other businesses such as trading and manufacturing, quarry, building materials and healthcare are expected to perform in line with the moderate economic environment.

B4 Variance of Actual Profit from Profit Forecast

The Company did not issue any profit forecast or profit guarantee during the current year under review.

B5 Taxation

The effective tax rate for the current quarter is 21.8%. The lower effective tax rate was mainly due to the recognition of share of profit from certain jointly controlled entities which shares result on a profit after tax basis.

	Current Quarter Ended 31/3/2012 RM'000	Cumulative Year To Date 31/3/2012 RM'000
Current taxation	(16,763)	(16,763)
Deferred taxation	(1,738)	(1,738)
	(18,501)	(18,501)

B6 Profit/(Loss) before Taxation

The following amounts have been included in arriving at profit/ (loss) before taxation:

	Current Quarter Ended 31/3/2012 RM'000	Cumulative Year To Date 31/3/2012 RM'000
Depreciation and amortisation	(25,316)	(25,316)
Provision for:		
Trade Receivables	(298)	(298)
Write off:		
- Trade Receivables	(222)	(222)
Foreign exchange gain/(loss):		
- Others	(2,296)	(2,296)
- Unrealised for hedged items	30,690	30,690
Cash flow hedge reserve recycled to profit or loss	(30,690)	(30,690)

B7 Status of Corporate Proposal Announced

There were no new corporate proposals announced but not completed as at the date of this report, except for the following:

Proposed Acquisition of 48% Equity Interest in Sunway Pyramid Sdn Bhd ("SPSB")

On 12 July 2010, SCB entered into a Share Sale Agreement ("SSA") with Reco Pyramid (M) Sdn Bhd ("RPSB") to acquire 48 million ordinary shares of RM1.00 each in SPSB ("SPSB Sale Shares") representing 48% equity interest in SPSB for the SPSB Consideration as per following:

Salient terms and conditions of the SPSB SSA

Completion of the Proposed Acquisition of SPSB will occur on the last business day of the month immediately following the month (or such other date as the Company and RPSB may mutually agree in writing) in which:

- (i) the condition precedent, namely the completion of the Proposed Acquisition of Sunway Leisure Sdn Bhd (formerly known as Mega Capacity Sdn Bhd), is fulfilled; and
- (ii) all the pre-closing events are completed.

The Proposed Acquisition is yet to be completed.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2012 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings:			
- Current	389,424	84,858	474,282
- Non-current	1,641,889	262,868	1,904,757
	2,031,313	347,727	2,379,040

Included in the above are borrowings which are denominated in a foreign currency as follows:

SecuredCurrentNon-current

Denominated in US Dollar (USD'000)	-	319,220
Denominated in Singapore Dollar (SGD'000)	7,225	13,129
Denominated in Trinidad & Tobago Dollar (TTD'000)	4,470	8,940
Denominated in Chinese Renminbi (RMB'000)	101,125	54,516
Denominated in Indonesian Rupiah (RP'000)	2,088,630	-
Denominated in Australia Dollar (AUD'000)	1,673	28

Unsecured

Denominated in Singapore Dollar (SGD'000)	757	118
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B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 March 2012 were as follows:

Type of Derivatives	Contract/ Notional RM'000	Fair Value RM'000	Gains/(Losses) Fair Value for the period RM'000
Foreign currency forward contracts			
- Less than 1 year	252	(3)	(38)
Interest rate swap contracts			
- Less than 1 year	107,263	(978)	
- 1 year to 3 year	16,368	(182)	
- More than 3 years	-	-	
	123,631	(1,160)	286
Total losses on derivatives as per Note A5			248
Cross currency swap contracts			
- 1 year to 3 year	935,320	10,455	7,548
Total derivatives		9,292	7,796

Foreign currency forward contracts

The Group entered into foreign currency forward contracts to minimise its exposure to foreign currency risks as a results of transactions denominated in currencies other than its functional currency, arising from normal business activities. These are done in accordance with the Group's foreign currency hedging policy and are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

The derivatives arising from the foreign currency forward contracts are stated at fair value, using the prevailing market rates. Derivatives with positive market values are included under current assets and derivatives with negative market values are included under current liabilities. Any changes in fair value of derivatives during the period are taken directly to the income statement.

Interest rate swap contracts

The Group entered into interest rate swap contracts to manage its interest rate risk arising primarily from interest-bearing borrowings. Borrowings at floating rate expose the Group to fair value interest rates and the hedging contract minimises the fluctuation of cash flow due to changes in the market interest rates. The above interest rate hedging contracts are executed with credit-worthy financial institutions which are governed by appropriate policies and procedures.

The derivatives arising from the interest rate swap contracts are computed using the present value of the difference between the floating rates and fixed rates applied to the principal amounts over the duration of swap expiring subsequent to period end. Any changes in fair value of derivatives during the period are taken directly to the income statement.

Cross currency swap contracts

The Group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings which was entered to minimise the interest cost. The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in other comprehensive income until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the income statement.

B10 Changes in Material Litigation

Except for the following claims, there was no pending material litigation.

- (a) A suit was filed by Affin Bank Berhad ("Affin") against, inter alia, Yap Yee Ping and Ng Kam Hung ("Plaintiffs") for payment of an amount of RM27.7 million and/or any other amount to Affin. The Plaintiffs are seeking, inter alia, certain declarations and also an order that SunwayMas Sdn Bhd ("SunwayMas"), a wholly-owned subsidiary of the Group, indemnifies the Plaintiffs for all claims brought against them by Affin in relation to a tripartite agreement executed amongst Cindai Unggul Sdn Bhd ("Employer"), SunwayMas and BSN Commercial Bank Bhd (now vested in Affin) on 2 May 2000. SunwayMas was appointed as a Project Manager to revive, manage and coordinate the development and construction of the Employer on a piece of land in the Mukim of Pulai, District of Johor Bahru, Johor.

Arising from this suit, the Plaintiffs have filed a counterclaim action against Affin and SunwayMas as the second defendant on 9 May 2008. Thereafter, the Plaintiffs have served a Statement of Defence and Counterclaim ("Counterclaim") on SunwayMas. SunwayMas intends to defend this Counterclaim and at the advice of their solicitors, an order to strike out the case has been submitted, followed by a statement of defense on 4 December 2008. The hearing for case management which was fixed on 27 July 2009, was adjourned to 30 September 2009. On the said date, the hearing for case management was fixed on 4 February 2010 and it has been struck out with costs. The employer filed an appeal against the decision on 2 March 2010. The hearing date for the appeal is yet to be fixed by the Court.

SunwayMas's solicitors are of the opinion that the chances of success of the Plaintiffs' claim against SunwayMas are negligible.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

(b) On 4 September 2008, the solicitors of Sunway Construction Sdn Bhd ("SunCon") had been served with a Statement of Claim ("Statement of Claim") by Shristi Infrastructure Development Corporation Ltd ("Claimant"). The Statement of Claim was received by SunCon's office in Malaysia on 8 September 2008.

Pursuant to an agreement signed between SunCon and the National Highway Authority of India for the rehabilitation and upgrading of NH-25 to a four-lane configuration in the state of Uttar Pradesh being a part of the East-West Corridor Project, SunCon had entered into a work order with the Claimant for the upgrading and rehabilitation of the stretch of NH-25 from 143.6 km to 170.0 km, of which the Claimant has provided two bank guarantees ("Bank Guarantees") to SunCon.

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed a sole arbitrator and two preliminary sittings have been held to date. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs891.5 million (approximately equivalent to RM70 million).

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs78,13,94,628.61 (approximately equivalent to RM60 million) for inter alia, additional costs incurred by SunCon to complete the works, recovery of mobilisation advance and interest charges, loss of reputation and loss of profits.

On 5 January 2011, Shristi did not produce its Witness Statement and has been directed to file it by 7 February 2011. The hearing was then adjourned to 11 March 2011 for compliance and finalizing the bundles, etc. The cross examination dates are 28 and 29 March 2011, to be followed on 11 and 12 April 2011. Shristi has to submit a statement of its assets as at 31 December 2010 supported by an affidavit before the next date of the hearing.

On 28 March 2011, the Arbitrator had directed the following:

- (i) Admission or denial by Shristi or SunCon of each other's documents to be completed by 4 April 2011.
- (ii) Further documents to be filed by both parties by 12 April 2011.
- (iii) List of witnesses and Supplemental Affidavit to be filed by Shristi by 12 April 2011 and Shristi's witness to be present on 12 April 2011.

On the 12 April 2011 hearing, both sides were allowed to file further documents, if any, within the next 3 weeks, as the final submission. The next hearing date was 16 May 2011 for noting compliance of directions and thereafter, cross-examination of their first witness was on 1 and 2 July 2011. However, Shristi and their solicitor did not show up for the hearing on 1 July 2011 but they showed up for the hearing on 28 and 29 July 2011. The hearing continued on 15 and 16 September 2011 and 20 September 2011 for the cross examination of Shristi's 1st witness. The hearings scheduled in October and November 2011 was subsequently postponed to 13 till 15 December 2011 and was duly held. The procedural hearing was held on 5 December 2011 for noting compliance and subsequent hearings were held on 15 and 16 February 2012.

On 9 May 2012, the Arbitrator held a further procedural hearing. The next hearing dates fixed are 10, 12 to 13, 24 to 25 July 2012 and 7 to 8, 22 to 23 August 2012. The Claimant is also directed to submit the Affidavit of the other witnesses at the earliest, preferably before the next date of hearing.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claims is necessary.

B11 Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits are as follows:

	31/3/2012 RM'000	31/3/2011 RM'000
Total retained profit of the Group:-		
Realised	291,575	78,035
Unrealised	20,393	(4,262)
Total share of retained profits from associated companies:		
Realised	10,663	16,900
Unrealised	83,330	212
Total share of retained profits from Jointly Controlled Entities:		
Realised	121,002	28,086
Unrealised	-	140
Less: Consolidation adjustments	(21,709)	(22,979)
Total Group's retained profits as per consolidated accounts	505,254	96,131

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B12 Dividend

No dividend has been proposed by the Board of Directors for the financial period ended 31 March 2012.

B13 Earnings per share

The calculation of the earnings per share for the Group is based on profit after taxation and non-controlling interests on the weighted average number of ordinary shares in issue during the period.

	Current Quarter Ended 31/3/2012 RM'000	Cumulative Year To Date 31/3/2012 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	64,447	64,447
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share (Basic) (sen)	4.99	4.99
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	64,447	64,447
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share (Diluted) (sen)	4.99	4.99

By Order of the Board

**Tan Kim Aun
Lee Suan Choo
Secretaries**