

**SUNWAY BERHAD ( Company No : 921551-D )**  
**(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010	CURRENT YEAR TO DATE 30/09/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010
	RM'000	RM'000	RM'000	RM'000
REVENUE	934,031	-	2,770,307	-
OPERATING EXPENSES	(897,859)	-	(2,672,598)	-
OTHER OPERATING INCOME	27,982	-	67,625	-
PROFIT FROM OPERATIONS	<u>64,154</u>	<u>-</u>	<u>165,334</u>	<u>-</u>
LOSS ON DERIVATIVES	(11,859)	-	(8,301)	-
FINANCE INCOME	7,352	-	20,231	-
FINANCE COSTS	(25,567)	-	(57,956)	-
SHARE OF PROFIT FROM ASSOCIATES	16,751	-	90,817	-
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES	39,905	-	106,837	-
PROFIT BEFORE TAX	<u>90,736</u>	<u>-</u>	<u>316,962</u>	<u>-</u>
INCOME TAX EXPENSE	(18,723)	-	(39,711)	-
PROFIT FOR THE PERIOD	<u>72,013</u>	<u>-</u>	<u>277,251</u>	<u>-</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	69,224	-	245,928	-
- NON-CONTROLLING INTERESTS	2,789	-	31,323	-
	<u>72,013</u>	<u>-</u>	<u>277,251</u>	<u>-</u>
EARNINGS PER SHARE				
(i) BASIC ( sen )	<u>5.36</u>	<u>N/A</u>	<u>19.03</u>	<u>N/A</u>
(ii) DILUTED ( sen )	<u>5.36</u>	<u>N/A</u>	<u>19.03</u>	<u>N/A</u>

( The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 2011 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD ( Company No : 921551-D )  
(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)  
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011  
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2010	CURRENT YEAR TO DATE 30/09/2011	PRECEDING YEAR CORRESPONDING PERIOD 30/09/2010
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	72,013	-	277,251	-
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	1,726	-	5,137	-
CASH FLOW HEDGE - FAIR VALUE LOSSES	<u>(19,211)</u>	<u>-</u>	<u>(19,211)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>(17,485)</u>	<u>0</u>	<u>(14,074)</u>	<u>0</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>54,528</u>	<u>-</u>	<u>263,177</u>	<u>-</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	49,419	-	231,559	-
- NON-CONTROLLING INTERESTS	5,109	-	31,618	-
	<u>54,528</u>	<u>-</u>	<u>263,177</u>	<u>-</u>

( The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 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 30 SEPTEMBER 2011  
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	AS AT END OF CURRENT QUARTER 30/09/2011	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2010
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	972,137	-
Biological assets	291	-
Investment properties	785,573	-
Rock reserves	8,613	-
Land held for property development	661,315	-
Investment in associates	1,009,343	-
Investment in jointly controlled entities	493,243	-
Other investments	1,773	-
Derivative assets	30,652	-
Receivables	13,456	-
Goodwill	330,095	-
Deferred tax assets	41,662	-
	<u>4,348,153</u>	-
<b>Current assets</b>		
Properties development costs	574,315	-
Inventories	355,043	-
Receivables, deposits & prepayments	1,368,401	-
Deposits, bank & cash balances	953,739	-
Tax recoverable	56,462	-
Derivative assets	2,180	-
	<u>3,310,140</u>	-
<b>TOTAL ASSETS</b>	<u>7,658,293</u>	-
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Payables, accruals & other current liabilities	1,843,229	-
Bank borrowings	372,765	-
Taxation	25,980	-
Derivative liabilities	277	-
	<u>2,242,251</u>	-
<b>Non-current liabilities</b>		
Long term bank borrowings	1,886,652	-
Other long term liabilities	202,344	-
Derivative liabilities	1,021	-
Deferred taxation	83,167	-
	<u>2,173,184</u>	-
<b>Total liabilities</b>	<u>4,415,435</u>	-
<b>Equity attributable to Owners of the Parent</b>		
Share capital	1,292,505	-
Share premium	2,326,509	-
Negative merger reserve	(1,173,563)	-
Retained profits	209,707	-
Other reserves	162,476	-
	<u>2,817,634</u>	-
<b>NON-CONTROLLING INTERESTS</b>	<u>425,224</u>	-
<b>Total equity</b>	<u>3,242,858</u>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>7,658,293</u>	-
<b>Net Assets Per Share</b>	<b>2.18</b>	<b>N/A</b>

Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) has adopted the Merger Method of Accounting in respect of acquisition of Sunway Holdings Sdn Bhd group and Sunway City Sdn Bhd group. Under the Merger Method of Accounting, the Group's consolidated results for the current financial period ended 30 September 2011 comprise the consolidated results of all subsidiaries as if the merger had been effected throughout the entire financial year to date.

( The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 2011 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	ATTRIBUTABLE TO OWNERS OF THE PARENT														DISTRIBUTABLE		NON-CONTROLLING INTERESTS	TOTAL EQUITY
	NON-DISTRIBUTABLE				NON-DISTRIBUTABLE										RETAINED PROFITS	TOTAL		
	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	
<b>PERIOD ENDED 30 SEPTEMBER 2011</b>																		
At 1 January 2011	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	
Total comprehensive income	-	-	-	(14,369)	-	-	4,842	-	-	-	-	(19,211)	-	245,928	231,559	31,618	263,177	
Issue of ordinary shares by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200	6,200	
Issue of preference shares by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,100	2,100	
New ESOS granted	-	-	-	704	-	-	-	-	-	-	704	-	-	-	704	-	704	
Redemption of redeemable preference shares	-	-	-	143	-	143	-	-	-	-	-	-	-	(143)	-	-	-	
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4,217	4,217	312	4,529	
Effect of FRS 139	-	-	-	(1,604)	(11)	-	(1,593)	-	-	-	-	-	-	(39,542)	(41,146)	(1,898)	(43,044)	
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,352)	(4,352)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,430	13,430	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,023)	(8,023)	
Transfer to statutory reserve	-	-	-	260	-	-	-	-	260	-	-	-	-	(260)	-	-	-	
Transfer to furniture & fittings reserve	-	-	-	686	-	-	-	-	-	-	-	-	686	(686)	-	-	-	
Share of depreciation transfer on land, net of tax by an associated company	-	-	-	(144)	-	-	-	-	-	(144)	-	-	-	193	49	-	49	
At 30 September 2011	1,292,505	2,326,509	(1,173,563)	162,476	109,301	346	(3,160)	48,374	878	22,357	2,905	(19,211)	686	209,707	2,817,634	425,224	3,242,858	

( The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 2011 and the accompanying explanatory notes attached to the interim financial statements.)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011  
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	FOR THE 9 MONTHS PERIOD ENDED 30/09/2011 RM'000	FOR THE 9 MONTHS PERIOD ENDED 30/09/2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	3,098,471	-
Payment to suppliers and contractors	(2,184,377)	-
Payment of operating expenses	(643,724)	-
Interest received	26,147	-
Dividend received from associate and jointly controlled entity	50,940	-
Cash generated from operations	347,457	-
Taxes refunded	6,416	-
Taxes paid	(77,681)	-
Net cash generated from operating activities	276,192	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant & equipment	6,084	-
Proceeds from other investment	(7,371)	-
Acquisition of land	(77,008)	-
Acquisition of property, plant & equipment and biological assets	(43,638)	-
Additional investment in subsidiaries	(14,266)	-
Acquisition and subsequent expenditure of investment properties	(21,918)	-
Investment in associates	(4,696)	-
Repayment from/ (advances to) associates, jointly controlled entity and joint venture partners	72,440	-
Investment in jointly controlled entities	(726)	-
Net cash used in investing activities	(91,099)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	817,839	-
Issue of ordinary shares to minority shareholders of subsidiary	300	-
Issue of preference shares to minority shareholders of subsidiary	2,100	-
Interest paid	(45,207)	-
Redemption of preference share in other investments	10,853	-
Redemption of preference share in jointly controlled entities	9,500	-
Capital repayment to shareholders	(904,753)	-
Dividend paid to non-controlling interests of subsidiaries	(2,747)	-
Net cash generated from financing activities	(112,115)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	72,978	-
EFFECTS OF EXCHANGE RATE CHANGES	8,060	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	856,193	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	937,231	-
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	953,739	-
Bank overdrafts	(16,508)	-
	937,231	-

( The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 2011 and the accompanying explanatory notes attached to the interim financial statements.)

## NOTES TO FINANCIAL STATEMENTS :

### A1 Accounting Policies and Basis of Preparation

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 Proforma Consolidated Financial Information and the Accountants' Report for the financial statements for the year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 18 August 2011 and the accompanying explanatory notes attached to the interim financial statements.

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 financial year ended 31 December 2010.

On 18 August 2011, the Company acquired the entire business and undertaking, including the assets and liabilities of Sunway Holdings Sdn Bhd ("SWH") and Sunway City Sdn Bhd ("SCB") (collectively referred to as the "Merged Entities").

The Merged Entities are under common control and are consolidated using merger accounting. In this regard, the merger took place on 18 August 2011 (being the acquisition date of SWH and SCB). However for presentation purposes, the results of the Merged Entities are presented as if the merger has been effected on 1 January 2011 and thus results are presented on a proforma basis. No comparative figures are presented for the immediate preceding quarter as this is the first consolidated results of the Group being prepared.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Prospectus dated 18 August 2011 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations that are effective for financial statements effective from 1 January 2011, as disclosed below:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Improvements to FRSs (2010) issued in November 2010	

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

#### Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised FRS 3 introduces a number of changes in the accounting for business combinations. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) to be accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with non-controlling interests.

### A2 Comparative Figures

This is the first financial year in which interim financial reports are prepared by the Company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and consequently, there are no comparative figures presented in this report.

### A3 Report of the Auditors

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

### A4 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.

### A5 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 30 September 2011 except for the following:

#### a) Current quarter ended 30 September 2011

	30/09/11 RM'million
Profit before tax as reported	90.7
Loss on derivatives <sup>1</sup>	11.9
Listing and merger expenses <sup>3</sup>	12.9
<b>Profit before tax excluding unusual items</b>	<b>115.5</b>
Profit after tax and non-controlling interests as reported	69.2
Loss on derivatives <sup>1</sup>	11.9
Listing and merger expenses <sup>3</sup>	12.9
<b>Profit after tax and non-controlling interests excluding unusual items</b>	<b>94.0</b>

b) Cumulative year to date ended 30 September 2011

	30/09/11 RM'million
Profit before tax as reported	317.0
Loss on derivatives <sup>1</sup>	8.3
Fair value gain <sup>2</sup>	(41.6)
Listing and merger expenses <sup>3</sup>	20.4
<b>Profit before tax excluding unusual items</b>	<b>304.1</b>
Profit after tax and non-controlling interests as reported	245.9
Loss on derivatives <sup>1</sup>	8.3
Fair value gain <sup>2</sup>	(31.1)
Listing and merger expenses <sup>3</sup>	20.4
Reversal of taxation <sup>4</sup>	(17.2)
<b>Profit after tax and non-controlling interests excluding unusual items</b>	<b>226.3</b>

During the 3rd quarter ended 30 September 2011:

<sup>1</sup> The Group suffered RM11.9 million in loss on derivatives as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement. The Group recognised RM3.2 million and RM0.4 million respectively during the 1st and 2nd quarter in gain on derivatives. Consequently, the Group suffered net loss on derivative of RM 8.3 mil for the 9 months ended 30 September 2011.

<sup>2</sup> The Group recognised RM41.6 million (profit before tax) and RM31.1 million (profit after tax and non-controlling interests) as share of fair value gain from Sunway REIT, a 36.7 % associate of the Group following Sunway REIT's fair value gain amounting to RM113.2 million.

<sup>3</sup> During the 3rd quarter ended 30 September 2011, the Group incurred expenses of RM12.9 million in relating to the acquisition of the entire business and undertaking, including the assets and liabilities of SWH and SCB, and the listing of the Company. The Group incurred RM 7.5 million of similar expenses as disclosed in its 2nd quarter results. As a result, total merger and listing expenses for the 9 months ended 30 September 2011 amounted to RM 20.4 million.

<sup>4</sup> During the 1st quarter ended 31 March 2011, the Group reversed RM17.2 million (profit after tax and non-controlling interests) of taxation provided following a successful tax treatment appeal to the Australian Tax Office.

A6 **Changes in Estimates**

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 September 2011.

A7 **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, except for the issuance of 1,292,505,000 ordinary shares of RM1.00 each at an issued price of RM2.80 and 258,501,000 free warrants as part of the consideration pursuant to the acquisition of the business and undertaking, including the assets and liabilities, of SWH and SCB.

A8 **Dividend Paid**

There was no dividend paid during the financial period ended 30 September 2011.

A9 **Segmental Reporting**

Segmental results for the financial period ended 30 September 2011 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
<b>BY BUSINESS SEGMENTS</b>									
<b>REVENUE AND EXPENSES</b>									
Revenue									
External sales	669,346	360,494	968,721	416,731	135,845	2,374	216,796	-	2,770,307
Inter-segment sales	-	10,136	50,679	46,545	1,747	15,107	21,951	(146,165)	-
<b>Total Revenue</b>	<b>669,346</b>	<b>370,630</b>	<b>1,019,400</b>	<b>463,276</b>	<b>137,592</b>	<b>17,481</b>	<b>238,747</b>	<b>(146,165)</b>	<b>2,770,307</b>
Results									
Operating segment results	63,176	71,573	28,292	36,598	7,231	(41,416)	(120)	-	165,334
Loss on derivatives	-	-	(5,988)	-	-	408	(2,721)	-	(8,301)
Finance income	10,738	3,757	3,158	201	348	828	1,201	-	20,231
Finance costs	(7,987)	(17,755)	(3,846)	(2,725)	(804)	(17,829)	(7,010)	-	(57,956)
Share of results of associated companies	(9)	89,131	-	-	-	-	1,695	-	90,817
jointly controlled entities	75,075	-	31,762	-	-	-	-	-	106,837
<b>Profit before taxation</b>	<b>140,993</b>	<b>146,706</b>	<b>53,378</b>	<b>34,074</b>	<b>6,775</b>	<b>(58,009)</b>	<b>(6,955)</b>	<b>-</b>	<b>316,962</b>
Taxation	9,712	(32,942)	(6,264)	(7,403)	(368)	236	(2,682)	-	(39,711)
<b>Profit for the period</b>	<b>150,705</b>	<b>113,764</b>	<b>47,114</b>	<b>26,671</b>	<b>6,407</b>	<b>(57,773)</b>	<b>(9,637)</b>	<b>-</b>	<b>277,251</b>
Non controlling interests	(30,316)	(1,893)	(1,253)	(1,572)	-	839	2,872	-	(31,323)
<b>Attributable to owners of the parent</b>	<b>120,389</b>	<b>111,871</b>	<b>45,861</b>	<b>25,099</b>	<b>6,407</b>	<b>(56,934)</b>	<b>(6,765)</b>	<b>-</b>	<b>245,928</b>

	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	2,126,363	215,349	158,512	145,555
Singapore	158,516	57,588	52,642	52,642
China	204,727	(31,591)	(28,780)	(25,419)
India	39,374	3,724	3,730	3,726
Australia	54,643	34,909	54,575	37,232
Abu Dhabi	122,744	34,150	34,150	32,058
Other Countries	63,940	2,833	2,422	134
	<u>2,770,307</u>	<u>316,962</u>	<u>277,251</u>	<u>245,928</u>

**A10 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.

**A11 Material events**

There were no material events subsequent to the current quarter ended 30 September 2011.

**A12 Changes in the Composition of the Group**

There was no material change in the composition of the Group for the current quarter ended 30 September 2011.

**A13 Contingent Liabilities and Assets**

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

	30/09/2011 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,056,811</u>
There were no other material changes in contingent liabilities since the last annual reporting date.	
There were no contingent assets.	

**A14 Commitments**

(a) Capital commitment not provided for in the financial period as at 30 September 2011 is as follows:

	30/09/2011 RM'000
Amount authorised and contracted for	43,580
Amount authorised but not contracted for	<u>1,260,240</u>
	<u>1,303,820</u>

(b) Operating lease commitment not provided for in the financial period as at 30 September 2011 is as follows:

	30/09/2011 RM'000
Future minimum lease payment:	
- not later than 1 year	57,101
- later than 1 year and not later than 5 years	165,443
- later than 5 years	<u>155,652</u>
	<u>378,196</u>
Future minimum lease receipts:	
- not later than 1 year	15,278
- later than 1 year and not later than 5 years	59,696
- later than 5 years	<u>80,467</u>
	<u>155,441</u>

**B1 Review of Performance**

For the quarter

The Group achieved revenue of RM934.0 million and profit before tax, excluding unusual items (as per Note A5), of RM115.5 million for the 3rd quarter ended 30 September 2011.

These results were largely driven by the Group's core businesses, which comprise of property development, property investment including Sunway REIT and construction which contributed more than 90% of the Group's profit before tax.

The property development projects with significant contributions during the quarter were Sunway D'Mont Kiara with Vivaldi, Sunway South Quay with BayRocks and LaCosta, and our joint venture developments in Singapore and Australia.

For the 9-month period

During the financial period ended 30 September 2011, the Group recorded revenue of RM2,770.3 million and profit before tax, excluding unusual items (as per Note A5), of RM304.1 million with major contribution from core businesses and development projects as stated above.

**B2 Material Changes in the Quarterly Results**

The current quarter's revenue of RM934.0 million was lower than RM1,002.6 million achieved in the immediate preceding quarter. However, the profit before tax of RM115.5 million<sup>1</sup> was higher than RM105 million achieved in the preceding quarter due to better performance from the Group's property development venture in Singapore.

<sup>1</sup>excluding unusual items as per Note A5 above

**B3 Prospects**

While the Group expects the local economy to moderate due to the ongoing global economic uncertainties, the Group's performance for the last quarter of this year is nevertheless expected to remain resilient. Such expectation is underpinned by our unbilled property sales of RM 2 billion and construction total order book of RM 2.9 billion.

The recent completion of the merger exercise will also enable the bigger Group to become more competitive due to the synergistic benefits achievable from closer and deeper collaboration between our property and construction divisions.

Barring any unforeseen circumstances, the Board expects the core performance for the Group in the forthcoming quarter to be quite in line with the current quarter.

**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 20.6%. The lower effective tax rate was mainly due to utilisation of unabsorbed losses and unutilised capital allowances of certain subsidiaries of the Group and certain foreign sourced income not subject to tax.

	Current Quarter Ended 30/09/2011 RM'000	Cumulative Year To Date 30/09/2011 RM'000
Current taxation	24,336	44,333
Deferred taxation	(5,613)	(4,622)
	18,723	39,711

**B6 Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There were no sale of investments and/or properties for the current quarter ended 30 September 2011.

**B7 Purchase or Disposal of Quoted Securities**

There were no purchase or disposal of quoted securities for the current quarter ended 30 September 2011.

**B8 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.

Equity Joint Venture Contract between Sunway City (S'pore) Pte Ltd and Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd ("SSTEC")

On 26 October 2010, Sunway City (S'pore) Pte Ltd ("SCS"), a wholly owned subsidiary of the Company, entered into a Equity Joint Venture Contract with SSTEC to establish the first Sino foreign equity joint venture enterprise, namely Tianjin Eco-City Sunway Property Development Co., Ltd. ("EJV Company"), to develop 27.96 hectares (69 acres) of land in Sino-Singapore Tianjin Eco-City which forms part of the 40 hectares (98.8 acres) located in Tianjin, People's Republic of China for the development in phases of residential and commercial projects ("Proposed Development").

The EJV Company obtained its business licence on 17 December 2010. The EJV Company's record had been registered with the Ministry of Commerce of China on 1 April 2011. The setting-up of the EJV Company was completed upon obtaining the approval from the State of Administration of Foreign Exchange of China on 12 April 2011.

On 22 November 2011, SCS entered into a Supplemental Contract with SSTEC to change, inter alia, the commencement period of the Proposed Development. The Proposed Development will now be developed in 3 stages over 5 years, with the earliest commencement in March 2012. The Proposed Development is expected to be completed in mid-2016.

**B9 Group Borrowings and Debt Securities**

The Group borrowings as at 30 September 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	304,550	68,215	372,765
Long term borrowings <sup>1</sup>	1,427,885	458,767	1,886,652
	1,732,435	526,982	2,259,417

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

<u>Secured</u>	<u>Current</u>	<u>Non-current</u>
Denominated in US Dollar (USD'000)	-	300,000
Denominated in Singapore Dollar (SGD'000)	6,458	13,082
Denominated in Trinidad & Tobago Dollar (TTD'000)	8,940	4,470
Denominated in Chinese Renminbi (RMB'000)	100,911	56,498
Denominated in Australia Dollar (AUD'000)	1,280	67
<u>Unsecured</u>		
Denominated in Singapore Dollar (SGD'000)	2,886	168

Note:

<sup>1</sup>Included in long term borrowings is the borrowings of RM904.8 million taken by Sunway Berhad to fund the acquisition of the assets and liabilities of SWH and SCB.

**B10 Derivative Financial Instruments**

The Group's outstanding derivatives as at 30 September 2011 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) arising from Fair Value Changes for the period RM'000
<b>Foreign currency forward contracts</b>			
- Less than 1 year	33,542	2,180	(9,225)
<b>Interest rate swap contracts</b>			
- Less than 1 year	11,303	(277)	
- 1 year to 3 year	187,876	(1,021)	
- More than 3 years	-	-	
	199,179	(1,298)	924
<b>Total losses on derivatives as per Note A5</b>			(8,301)
<b>Cross currency swap contracts</b>			
- 1 year to 3 year	865,745	30,652	(19,211)
<b>Total derivatives</b>		31,534	(27,512)

**Foreign currency forward contracts**

The Group entered into foreign currency forward contracts to minimise its exposure to foreign currency risks as a result 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.

## B11 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 1<sup>st</sup> witness. Subsequently, the hearings scheduled in October and November 2011 have been postponed to 13 till 15 December 2011. There will be a procedural hearing on 5 December 2011 for noting compliance.

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

(c) On 15 November 2011, the Company ("1st Defendant") and its subsidiaries, Sunway City Sdn. Bhd. ("2nd Defendant") and Sunway Construction Sdn. Bhd. ("3rd Defendant") had been served with a Writ of Summons dated 11 November 2011 and a Statement of Claim dated 9 November 2011 by Radiant Splendour Sdn. Bhd. ("Radiant Splendour").

Radiant Splendour is claiming the following:-

- (i) against the 1st Defendant, specific performance of the Agreement (as defined in the paragraph below) in a time and manner to be determined by the High Court;
- (ii) against the 1st Defendant, general damages to be assessed for breach of the expressed and/or implied terms of the Agreement;
- (iii) against the 1st Defendant, special damages of the sum of, inter alia, the sum of RM92,327,530 for breach of the expressed and/or implied terms of the Agreement;
- (iv) against the 1st Defendant, 3rd Defendant, Perfect Stone Sdn Bhd and Western Stone Enterprise, damages and an indemnity on a joint and several basis arising from the matters pleaded in paragraphs 59 to 64 of the Statement of Claim;
- (v) against all the defendants, for general damages to be assessed for conspiracy to injure Radiant Splendour;
- (vi) interest at the rate of 8% per annum on all damages awarded, from the date of the Statement of Claim until the date of full settlement; and
- (vii) such further order as the High Court deems fit and costs.

By way of background, the 2nd Defendant (as developer), Medallion Development Sdn Bhd (as proprietor) and Radiant Splendour have entered into a Master Agreement dated 8 January 2008 ("Agreement") whereby Radiant Splendour agreed to purchase on-bloc Tower B of Palazzo (a high-end condominium development in Sri Hartamas, Kuala Lumpur). In addition to the Master Agreement, Radiant Splendour has entered into 80 individual Sale and Purchase Agreements substantially in the form contained in Schedule H of the Housing Developers (Control and Licensing) Act 1989 for each unit in Tower B.

Radiant Splendour has obtained financing in the form of an Istina financing from Bank Kerjasama Rakyat Malaysia Berhad. There was a delay in the completion of the project and an extension of time was agreed upon between the 2nd Defendant and Radiant Splendour. Palazzo Tower B was completed within the agreed extended time and vacant possession was deemed delivered on 15 August 2011.

However, Radiant Splendour has raised some complaints relating to Palazzo Tower B including the quality of the marble flooring and proposed the setting up of a dispute settlement committee in accordance with the terms of the Master Agreement. The 2nd Defendant through its solicitors in a letter dated 3 November 2011 agreed with the setting-up of the dispute settlement committee to resolve Radiant Splendour's complaints. However, Radiant Splendour's solicitors wrote on 4 November 2011 that its clients had difficulty understanding the contents and thereafter, served the abovementioned Writ of Summons and Statement of Claim.

The Board of Directors of the Company has been advised by its solicitors that in their opinion, Radiant Splendour is not likely to succeed in its claims in the Writ of Summons against the Company and its subsidiaries, Sunway City Sdn. Bhd. and Sunway Construction Sdn. Bhd.

The Board of Directors of the Company concurs with the opinion and therefore:-

- (i) there will not be any material financial and operational impact on the Group from the legal proceedings; and
- (ii) there will be no expected material losses, if any, arising from the legal proceedings.

#### B12 Realised and Unrealised Profits

Bursa Malaysia Securities Berhad ("Bursa Malaysia") has, on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised in quarterly reports and annual audited financial statements.

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

	30/09/2011 RM'000
Total retained profit of the Group:-	
Realised	203,764
Unrealised	
Total share of retained profits from associated companies:	
Realised	33,111
Unrealised	41,665
Total share of retained profits from Jointly Controlled Entities:	
Realised	92,902
Unrealised	-
Less: Consolidation adjustments	(161,736)
Total Group's retained profits as per consolidated accounts	<u>209,707</u>

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.

#### B13 Dividend

No dividend has been proposed by the Board of Directors for the financial period ended 30 September 2011.

**B14 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 30/09/2011 RM'000	Cumulative Year To Date 30/09/2011 RM'000
<b>Basic earnings per share</b>		
Profit attributable to members of the Company	69,224	245,928
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share ( Basic ) (sen)	5.36	19.03
<b>Diluted earnings per share</b>		
Profit attributable to members of the Company	69,224	245,928
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share ( Diluted ) (sen)	5.36	19.03

**By Order of the Board**

**Tan Kim Aun  
Lee Suan Choo**

**Secretaries**