SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	NOTE	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/9/2013	INDIVIDUAL QUARTER PRECEDING YEAR CORRESPONDING QUARTER 30/9/2012	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/9/2013	CUMULATIVE QUARTER PRECEDING YEAR CORRESPONDING PERIOD 30/9/2012
		RM'000	RM'000	RM'000	RM'000
REVENUE		1,066,145	866,979	3,205,220	2,677,833
OPERATING EXPENSES	A4	(1,001,212)	(785,995)	(2,972,336)	(2,474,304)
OTHER OPERATING INCOME		9,966	25,108	44,660	67,168
PROFIT FROM OPERATIONS		74,899	106,092	277,544	270,697
(LOSS)/GAIN ON DERIVATIVES		111	(300)	288	110
FINANCE INCOME		12,289	10,464	31,158	22,977
FINANCE COSTS		(18,550)	(29,911)	(61,692)	(83,793)
SHARE OF PROFIT FROM ASSOCIATES	A4	19,099	18,919	116,598	139,310
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES		30,347	37,149	89,329	71,158
PROFIT BEFORE TAX		118,195	142,413	453,225	420,459
INCOME TAX EXPENSE	B5	(16,598)	(32,399)	(75,397)	(81,234)
PROFIT FOR THE PERIOD		101,597	110,014	377,828	339,225
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT		93,145	94,273	354,045	313,055
- NON-CONTROLLING INTERESTS		8,452	15,741	23,783	26,170
		101,597	110,014	377,828	339,225
EARNINGS PER SHARE					
(i) BASIC (sen)		5.81	7.29	25.33	24.22
(ii) DILUTED (sen)		5.68	7.29	24.82	24.22

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2013	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2012	CURRENT YEAR TO DATE 30/9/2013	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2012
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	101,597	110,014	377,828	339,225
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	25,416	(27,159)	26,458	(40,490)
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	31,274	(33,335)	65,633	(20,858)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(21,912)	39,198	(61,382)	28,665
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	34,778	(21,296)	30,709	(32,683)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	136,375	88,718	408,537	306,542
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	127,202	83,248	382,152	294,292
- NON-CONTROLLING INTERESTS	9,173	5,470	26,385	12,250
	136,375	88,718	408,537	306,542

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	AS AT END OF CURRENT QUARTER 30/9/2013	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2012 (AUDITED)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	831,744	804,698
Biological assets	570	613
Investment properties	1,494,788	1,242,519
Rock reserves	7,254	7,444
Land held for property development	528,535	598,912
Investment in associates	1,086,803	1,023,761
Investment in jointly controlled entities	718,486	516,452
Other investments	1,808	1,802
Derivative assets	32,190	2,058
Receivables	2,542	3,899
Goodwill	318,071	318,077
Deferred tax assets	38,725	33,718
	5,061,516	4,553,953
Current assets		
Properties development costs	1,235,761	991,529
Inventories	593,282	650,308
Receivables, deposits & prepayments	1,473,712	1,568,764
Deposits, bank & cash balances	1,394,429	1,158,890
Tax recoverable	52,200	47,827
Derivative assets	4,027	12,203
	4,753,411	4,429,521
TOTAL ASSETS	9,814,927	8,983,474
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	1,697,088	1,771,850
Bank borrowings	1,654,188	1,773,155
Taxation	26,445	31,015
Derivative liabilities	4	197
	3,377,725	3,576,217
Non-current liabilities		
Long term bank borrowings	1,027,356	983,279
Other long term liabilities	388,487	412,437
Derivative liabilities	99	792
Deferred taxation	62,577	53,246
	1,478,519	1,449,754
Total liabilities	4,856,244	5,025,971
Equity attributable to Owners of the Parent		
Share capital	1,723,489	1,292,505
Share premium	2,628,324	2,326,509
Equity Contribution from non-controlling interests	51,654	51,654
Negative merger reserve	(1,192,040)	(1,192,040)
Retained profits	1,206,325	934,375
Other reserves	231,576	163,638
	4,649,328	3,576,641
NON-CONTROLLING INTERESTS	309,355	380,862
Total equity	4,958,683	3,957,503
TOTAL EQUITY AND LIABILITIES	9,814,927	8,983,474
Net Assets Per Share	**2.70**	**2.77**

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	I----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----																NON-CONTROLLING INTERESTS	TOTAL EQUITY
			I----- NON-DISTRIBUTABLE -----												DISTRIBUTABLE			
	SHARE CAPITAL	SHARE PREMIUM	EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS	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	RETAINED PROFITS	TOTAL		
	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 30 SEPTEMBER 2012																		
At 1 January 2012	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	-	-	-	-	(18,763)	-	-	(26,570)	-	-	-	-	7,807	-	313,055	294,292	12,250	306,542
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,783)	(15,783)
Effect of FRS 139	-	-	-	-	2,702	-	-	-	2,702	-	-	-	-	-	33	2,735	1,755	4,490
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional equity contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,077)	(5,077)	(20,052)	(25,129)
Transfer to statutory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to furniture & fittings reserve	-	-	-	-	575	-	-	-	-	-	-	-	-	575	(575)	-	-	-
Utilisation of furniture & fittings reserve	-	-	-	-	(240)	-	-	-	-	-	-	-	-	(240)	-	(240)	-	(240)
At 30 June 2012	1,292,505	2,326,509	35,376	(1,192,040)	106,094	34,137	75,521	(50,726)	24,345	879	22,357	3,170	(5,973)	2,384	748,237	3,316,681	306,133	3,622,814
PERIOD ENDED 30 SEPTEMBER 2013																		
At 1 January 2013	1,292,505	2,326,509	51,654	(1,192,040)	163,638	34,137	98,963	(17,641)	21,712	879	22,357	3,170	(1,636)	1,697	934,375	3,576,641	380,862	3,957,503
Total comprehensive income	-	-	-	-	28,107	-	-	23,856	-	-	-	-	4,251	-	354,045	382,152	26,385	408,537
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(77,910)	(77,910)	-	(77,910)
Issuance of ordinary shares pursuant to Rights Issue with warrants	430,869	301,815			-	-	-	-	-	-	-	-	-	-	-	732,684	-	732,684
New ESOS granted	-	-	-	-	39,732	-	-	-	-	-	-	39,732	-	-	-	39,732	-	39,732
Issuance of ordinary shares pursuant to exercise of warrants	115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115	-	115
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46,217)	(46,217)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(515)	(515)	-	(515)
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,571)	(3,571)	(51,675)	(55,246)
Transfer to capital redemption reserve	-	-	-	-	99	-	99	-	-	-	-	-	-	-	(99)	-	-	-
At 30 September 2013	1,723,489	2,628,324	51,654	(1,192,040)	231,576	34,137	99,062	6,215	21,712	879	22,357	42,902	2,615	1,697	1,206,325	4,649,328	309,355	4,958,683

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 921551-D)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	FOR THE 9 MONTHS PERIOD ENDED 30/9/2013	FOR THE 9 MONTHS PERIOD ENDED 30/09/2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	453,225	420,459
Adjustments for:		
- non-cash items	(82,048)	(92,990)
- finance costs	61,692	83,793
- finance income	(31,158)	(22,977)
Operating cash flows before working capital changes	401,711	388,285
Changes in working capital	(92,167)	(210,882)
Cash flow from operations	309,544	177,403
Interest received	21,305	21,351
Dividend received from jointly controlled entities and associates	109,248	59,239
Tax refunded	7,234	9,423
Tax paid	(87,225)	(102,591)
Net cash flow from operating activities	360,106	164,825
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	3,750	10,495
Proceeds from liquidation of subsidiaries	5,333	17
Proceeds from issuance of ordinary shares	732,799	-
Deposit paid on additional investment in subsidiary	-	(9,247)
Acquisition of land	(28,775)	(38,530)
Acquisition of property, plant and equipment and biological assets	(88,643)	(69,647)
Acquisition and additional investment in subsidiaries	-	(8,000)
Acquisition and subsequent expenditure of investment properties	(252,269)	(140,196)
Acquisition of other investment	(5)	-
Investment in associates	(9,269)	(8,559)
Repayment from/ (advances to) associates, jointly controlled entity and joint venture partners	(26,419)	(15,853)
Investment in jointly controlled entities	(145,328)	(203,348)
Net cash used in investing activities	191,552	(482,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	(124,645)	279,079
Interest paid	(52,371)	(83,199)
Dividend paid to shareholders	(77,550)	-
Dividend paid to non-controlling interests of subsidiaries	(46,731)	(13,472)
Net cash generated from/(used in) financing activities	(301,297)	182,408
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	250,361	(135,635)
EFFECTS OF EXCHANGE RATE CHANGES	3,026	(4,112)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,063,712	776,705
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,317,099	636,958
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	1,394,429	711,930
Bank overdrafts	(77,330)	(74,972)
	1,317,099	636,958

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 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 two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods begining on or after 1 January 2014.

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 2014. For the financial years ending 30 September 2013 and 31 December 2013, 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 2012. 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 2012.

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 2012 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 2013, as disclosed below:

FRS 10	Consolidated Financial Statements
FRS 11 Joint Arrangements	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Venture
Amendments to IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7: Disclosures	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))

Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above pronouncements does not have any significant impact to the Group except for:-

FRS 10: Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127. The Group has assessed the impact of implementation of this standard and there is no material impact to the Group after disposal of 20% shareholding in Sunway REIT Management Sdn Bhd (Further details disclosed in note B7). Subsequent to the disposal, the Group will not be required to consolidate the financial of Sunway Real Estate Investment Trust ("Sunway REIT").

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 30 September 2013 except for the following:

a) Current and preceding year corresponding quarter

	30/9/13 RM'million	**30/9/12 RM'million**
Profit before tax as reported	118.2	142.4
Loss/(Gain) on derivatives [1]	(0.1)	0.3
Professional fees [3]	1.6	-
Fair value of ESOS option [4]	39.7	-
Profit before tax excluding unusual items	**159.4**	**142.7**
Profit after tax and non-controlling interests as reported	93.1	94.3
Loss/(Gain) on derivatives [1]	(0.1)	0.3
Professional fees [3]	1.6	-
Reversal of deferred taxation [3]	(9.9)	-
Fair value of ESOS option [4]	39.7	-
Profit after tax and non-controlling interests excluding unusual items	**124.4**	**94.6**

b) Cumulative current and preceding year to date

	30/9/13 RM'million	30/9/12 RM'million
Profit before tax as reported	453.2	420.5
Gain on derivatives [1]	(0.3)	(0.1)
Fair value gain [2]	(59.7)	(85.0)
Professional fees [3]	1.6	-
Fair value of ESOS option [4]	39.7	-
Profit before tax excluding unusual items	**434.5**	**335.4**
Profit after tax and non-controlling interests as reported	354.0	313.1
Gain on derivatives [1]	(0.3)	(0.1)
Fair value gain [2]	(59.7)	(76.5)
Professional fees [3]	1.6	-
Reversal of deferred taxation [3]	(9.9)	-
Fair value of ESOS option [4]	39.7	-
Profit after tax and non-controlling interests excluding unusual items	**325.4**	**236.5**

Notes:

[1] The Group recognised RM0.1 million and RM0.3 million (profit before and after tax and non-controlling interests) in gain and loss on derivatives respectively as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement. The Group recognised RM0.3 million and RM0.1 million in gain on derivatives for the 9 months ended 30 September 2013 and 30 June 2012 respectively.

[2] The Group recognised RM59.7 million (profit before and after tax and non-controlling interests) as share of fair value gain from Sunway REIT for the quarter ended 30 June 2013. For the corresponding quarter ended 30 June 2012, the Group recognised RM85.0 million (profit before tax) and RM76.5 million (profit after tax and non-controlling interests) as share of fair value gain from Sunway REIT.

There was a 10% tax provided in for the share of fair value gain in the preceding corresponding quarter but the Group did not make any similar tax provision in current quarter since Sunway REIT has no intention to dispose of its assets. The Group will reassess the tax provision for all the fair value gains at during the last quarter of the year. The share of fair value gain is included in the share of profit from associates item.

[3] During the quarter ended 30 September 2013, the Group reversed the provision of deferred taxation made pertaining to the sale of Sunway Medical Centre to Sunway REIT in the previous year, as a result of the successful tax appeal obtained from the tax authority. The Group incurred RM1.6 million professional fee in relation to it.

[4] During the quarter ended 30 September 2013, the Group incurred fair value expenses of RM39.7 million for ESOS option granted on 3 September 2013. The ESOS fair value expenses are included in the operating expenses item.

A5 **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 2013.

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

During the financial period ended 30 September 2013, the Company increased its issued and paid up ordinary share capital by way of:

(a) issuance of 430,868,877 ordinary shares of RM1.00 each pursuant to the rights issue with 31,232,424 additional Sunway Warrants; and

(b) issuance of 115,120 ordinary shares of RM1.00 each pursuant to the exercise of the warrants.

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

A7 **Dividend Paid**

During the financial period ended 30 September 2013, the following payments of dividend have been made:

(a) RM77,550,309 were paid on 30 April 2013 as interim single tier dividend of 6% per ordinary share of RM1.00 each for the financial year ended 31 December 2012.

(b) RM86,174,450 were paid on 1 October 2013 as interim single tier dividend of 5% per ordinary share of RM1.00 each for the financial year ended 31 December 2013.

A8 **Segmental Reporting**

Segmental results for the financial period ended 30 September 2013, representing both core and non-core segmental results, are as follows:

	Property Development RM'000	Property Investment Division RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	749,899	412,432	1,178,703	453,054	147,189	(271)	264,214	-	3,205,220
Inter-segment sales	41	27,504	152,142	114,343	3,251	253,683	24,054	(575,018)	-
Total Revenue	749,940	439,936	1,330,845	567,397	150,440	253,412	288,268	(575,018)	3,205,220
Results									
Operating segment results	131,876	72,580	58,434	36,327	16,837	(53,920)	15,410	-	277,544
Gain on derivatives	-	-	(18)	-	-	306	-	-	288
Finance income	9,576	9,000	4,576	208	520	(747)	8,025	-	31,158
Finance costs	(12,539)	(55,497)	(2,676)	(2,657)	(209)	15,286	(3,400)	-	(61,692)
Share of results of									
associated companies	(2)	116,767	-	(86)	-	-	(81)	-	116,598
jointly controlled entities	87,929	-	1,400	-	-	-	-	-	89,329
Profit before taxation	216,840	142,850	61,716	33,792	17,148	(39,075)	19,954	-	453,225
Taxation	(27,619)	(19,249)	(20,534)	(7,668)	(5,095)	(868)	5,636	-	(75,397)
Profit for the period	189,221	123,601	41,182	26,124	12,053	(39,943)	25,590	-	377,828
Non controlling interests	(23,629)	(1,859)	1,696	(801)	-	71	739	-	(23,783)
Attributable to owners of the parent	165,592	121,742	42,878	25,323	12,053	(39,872)	26,329	-	354,045

	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000	Attributable to owners of the parent RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	2,767,056	333,094	267,699	243,442
Singapore	243,744	127,357	120,047	120,047
China	78,310	(12,330)	(12,748)	(9,824)
India	21	(1,877)	(1,910)	(1,910)
Australia	44,569	2,892	2,781	1,236
United Arab Emirates	-	(3,796)	(3,796)	(3,789)
Other Countries	71,520	7,885	5,755	4,843
	3,205,220	453,225	377,828	354,045

Core segmental results (excluding unsual items as per Note A4) for the financial period ended 30 September 2013 are as follows:

	Property Development RM'000	Property Investment Division RM'000	Construction RM'000	Trading and Manufacturing RM'000	Quarry RM'000	Investment Holdings RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	749,899	412,432	1,178,703	453,054	147,189	(271)	264,214	-	3,205,220
Inter-segment sales	41	27,504	152,142	114,343	3,251	253,683	24,054	(575,018)	-
Total Revenue	749,940	439,936	1,330,845	567,397	150,440	253,412	288,268	(575,018)	3,205,220
Results									
Operating segment results	131,876	72,580	58,434	36,327	16,837	(14,188)	16,960	-	318,826
Finance income	9,576	9,000	4,576	208	520	(747)	8,025	-	31,158
Finance costs	(12,539)	(55,497)	(2,676)	(2,657)	(209)	15,286	(3,400)	-	(61,692)
Share of results of									-
associated companies	(2)	57,070	-	(86)	-	-	(81)	-	56,901
jointly controlled entities	87,929	-	1,400	-	-	-	-	-	89,329
Profit before taxation	216,840	83,153	61,734	33,792	17,148	351	21,504	-	434,522
Taxation	(27,619)	(19,249)	(20,534)	(7,668)	(5,095)	(868)	(4,364)	-	(85,397)
Profit for the period	189,221	63,904	41,200	26,124	12,053	(517)	17,140	-	349,125
Non controlling interests	(23,629)	(1,859)	1,696	(801)	-	71	779	-	(23,743)
Attributable to owners of the parent	165,592	62,045	42,896	25,323	12,053	(446)	17,919	-	325,382

	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000	Attributable to owners of the parent RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	2,767,056	314,391	238,996	214,779
Singapore	243,744	127,357	120,047	120,047
China	78,310	(12,330)	(12,748)	(9,824)
India	21	(1,877)	(1,910)	(1,910)
Australia	44,569	2,892	2,781	1,236
United Arab Emirates	-	(3,796)	(3,796)	(3,789)
Other Countries	71,520	7,885	5,755	4,843
	3,205,220	434,522	349,125	325,382

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 30 September 2013.

A11 **Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter ended 30 September 2013.

A12 **Contingent Liabilities and Assets**

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

	30/9/2013 RM'000	31/12/2012 RM'000
Guarantees given to third parties in respect of contracts and trade performance	2,918,925	2,984,633

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 30 September 2013 is as follows:

	30/9/2013 RM'000	31/12/2012 RM'000
Amount authorised and contracted for	62,473	77,571
Amount authorised but not contracted for	655,995	876,450
	718,468	954,021

(b) Operating lease commitment not provided for in the financial year as at 30 September 2013 is as follows:

	30/9/2013 RM'000	31/12/2012 RM'000
Future minimum lease payment:		
- not later than 1 year	79,501	76,361
- later than 1 year and not later than 5 years	250,661	260,557
- later than 5 years	187,898	233,453
	518,060	570,371
Future minimum lease receipts:		
- not later than 1 year	49,117	47,994
- later than 1 year and not later than 5 years	190,389	196,541
- later than 5 years	349,925	370,890
	589,431	615,425

B1 **Review of Performance**

For the quarter

The Group recorded revenue of RM1,066.1 million and profit before tax of RM159.4 million (after excluding unusual items as per Note A4) for the current quarter ended 30 September 2013 as compared to revenue of RM867.0 million and profit before tax of RM142.7 million for the corresponding quarter ended 30 September 2012. The increase in the current quarter revenue was mainly due to higher revenue recorded in the property development and construction segments. However, the higher profit before tax was due to improved performance across most of the business segments.

The property development segment reported revenue of RM260.3 million and profit before tax of RM90.4 million in the current quarter as compared to revenue of RM176.6 million and profit before tax of RM89.2 million in the corresponding quarter of the previous financial year. The higher revenue recorded was mainly due to strong sales achieved from most of the developments particularly those which are located within Sunway South Quay, Sunway Velocity and Sunway Nexis, which are beneficiaries of improved public infrastructure connectivity. The current quarter profit before tax was also boosted by higher profit contribution from our Singapore property projects. However, in comparison, the corresponding profit before tax for the preceding year recorded a stronger profit margin and this was mainly due to the additional profit realised following the handing over of two completed projects.

The property investment segment reported revenue of RM137.1 million and profit before tax of RM24.6 million in the current quarter as compared to revenue of RM148.2 million and profit before tax of RM20.7 million in the corresponding quarter of the previous financial year. The lower revenue recorded for this segment was due to lower occupancy rate at its hotels. In addition, certain parts of one of its hotel operations were closed for major refurbishment. Despite the lower revenue, the profit before tax for the current quarter was higher due to provision for doubtful debts made in the corresponding quarter in the previous financial year which did not recur in the current quarter.

The construction segment reported revenue of RM376.5 million and profit before tax of RM15.5 million in the current quarter as compared to revenue of RM267.3 million and profit before tax of RM19.4 million in the corresponding quarter in the previous financial year. The increase in revenue was due to the higher progress billings of the local infrastructure and building works. However, the profit before tax was affected by the lower margin recognised for its local projects due to timing of the recognition of progressive profit.

The trading and manufacturing segment reported a current quarter revenue of RM151.9 million and profit before tax of RM10.8 million as compared to the revenue of RM143.3 million and profit before tax of RM10.5 million in the corresponding quarter ended 30 September 2012. The better performance was mainly due to higher sales of heavy equipment in Malaysia which offset the less favourable market condition in Australia and Indonesia.

The quarry segment reported a current quarter revenue of RM47.1 million and profit before tax of RM5.4 million as compared to revenue of RM53.8 million and profit before tax of RM3.6 million in the corresponding quarter in the previous financial year. Despite the lower revenue, its profitability improved due to higher average selling price and less provision as compared to last year.

The other segment reported a current quarter revenue of RM94.3 million and profit before tax of RM8.9 million as compared to revenue of RM77.3 million and profit before tax of RM6.2 million in the corresponding quarter ended 30 September 2012. The better results were mainly due to improved performance from the healthcare and building material units.

For the 9 month period

The Group recorded revenue of RM3,205.2 million and profit before tax of RM434.5 million (after excluding unusual items as per Note A4) for the current 9 month period ended 30 September 2013 as compared to revenue of RM2,667.8 million and profit before tax of RM335.4 million for the corresponding 9 month period ended 30 September 2012. The better financial results for the 9 month period were mainly due to the stronger performance from the property development and construction segments.

The property development segment reported revenue of RM749.9 million and profit before tax of RM216.8 million for the 9 months ended 30 September 2013 as compared to revenue of RM525.4 million and profit before tax of RM168.5 million for the 9 months ended 30 September 2012, representing a growth in revenue and profit before tax of approximately 43% and 31% respectively. The better performance was in line with the strong sales recorded from those on-going projects, where a significant proportion was contributed by the commercial development in Sunway South Quay, Sunway Velocity and Sunway Nexis, which are beneficiaries of the public infrastructure projects in its vicinity. The property development in Singapore also delivered higher profit contribution in the current financial period.

The property investment segment reported revenue of RM412.4 million and profit before tax of RM83.2 million for the 9 months ended 30 September 2013 as compared to revenue of RM422.4 million and profit before tax of RM79.5 million for the 9 months ended 30 September 2012. The lower revenue generated during the period was mainly due to seasonal factors which affected the occupancy rate coupled with the closure of a portion of the Sunway Putra Hotel for major refurbishment. Despite the lower revenue, the profit before tax exceeded last year's corresponding 9 months ended 30 September 2012 due to provision for doubtful debts made in the previous year corresponding period.

The construction segment reported revenue of RM1,178.7 million and profit before tax of RM61.7 million for the 9 months ended 30 September 2013 as compared to revenue of RM914.6 million and profit before tax of RM48.2 million for the 9 months ended 30 September 2012, representing a revenue and profit before tax growth of approximately 29% and 28% respectively. The increase in revenue was due to stronger progress billings of the local infrastructure and building projects and precast concrete products. As a result, the profit before tax for the 9 months ended 30 September 2013 improved accordingly.

The trading and manufacturing segment reported revenue of RM453.1 million and profit before tax of RM33.8 million for the current 9 month period as compared to revenue of RM436.0 million and profit before tax of RM33.9 million in the corresponding 9 month period ended 30 September 2012. The increase in revenue was mainly due to higher sales of heavy equipment in Malaysia which helped to offset the lower contribution from its Australia and Indonesia operations affected by the subdued mining industry.

The quarry segment reported revenue of RM147.2 million and profit before tax of RM17.1 million for the current 9 month period as compared to revenue of RM139.7 million and profit before tax of RM7.1 million in the corresponding 9 month period ended 30 September 2012. The improved performance from this segment was due to stronger sales volume with higher margin achieved during the period as compared to 2012.

The other segment reported revenue of RM264.2 million and profit before tax of RM21.5 million for the current 9 month period as compared to revenue of RM239.1 million and profit before tax of RM16.4 million in the corresponding 9 month period ended 30 September 2012. The better results were mainly due to improved performance from the healthcare and building material units.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM1,066.1 million and profit before tax of RM159.4 million (after excluding unusual items as per Note A4) for the current quarter ended 30 September 2013 as compared to revenue of RM1,118.0 million and profit before tax of RM152.9 million achieved in the preceding quarter. Although the Group revenue was lower, the profit before tax was higher due to stronger profit contribution from the property development segment.

The property development segment reported revenue of RM260.3 million and profit before tax of RM90.4 million in the current quarter as compared to revenue of RM286.9 million and profit before tax of RM71.9 million in the immediate preceding quarter. Despite the lower revenue recognised for the current quarter as compared to the preceding quarter, the profit before tax was higher due to improvement in profit margin and higher profit contribution from our property development in Singapore.

The property investment segment reported revenue of RM137.0 million and profit before tax of RM24.6 million for the current quarter as compared to revenue of RM141.8 million and profit before tax of RM32.3 million in the immediate preceding quarter. The lower profit before tax recorded in the current quarter as compared to the immediate preceding quarter was mainly due to the fasting month which affected the hotel occupancy rate and the leisure business segment.

The construction segment reported revenue of RM376.5 million and profit before tax of RM15.5 million in the current quarter as compared to revenue of RM372.8 million and profit before tax of RM18.3 million in the immediate preceding quarter. Although the revenue recorded in the current quarter was almost similar with the preceding quarter, the construction segment registered lower profits due to lower margin recognised for its local projects.

The trading and manufacturing segment reported revenue of RM151.9 million and profit before tax of RM10.8 million in the current quarter as compared to revenue of RM171.6 million and profit before tax of RM14.7 million in the immediate preceding quarter. The lower performance in the current quarter was partly due to the fasting month which affected the sales volume while the performance of the preceding quarter was exceptionally strong which was not expected to be repeated.

The quarry segment reported a current quarter revenue of RM47.1 million and profit before tax of RM5.4 million as compared to revenue of RM55.8 million and profit before tax of RM7.0 million in the preceding quarter. The lower performance for the current quarter was due to the temporary closure of one of the quarries and lower sales volume during the fasting month.

The other segment reported a current quarter revenue of RM94.3 million and profit before tax of RM8.9 million as compared to a revenue of RM91.4 million and profit before tax of RM10.0 million in the preceding quarter. The lower profit before tax was mainly attributed to provision of unutilised leave and provision for doubtful debts from the healthcare and building material units respectively.

B3 **Prospects**

Based on the recent Malaysian Budget 2014, the local economy is expected to grow between 5% to 5.5% next year, as compared to the expected growth rate of 4.7% for 2013. The stronger growth is going to be underpinned by an improving global economy led by a stronger growing US and Chinese economies and a gradually recovering Eurozone. Such improving economic signal would augur well for the Group’s growth prospect.

The property cooling measures recently announced by the Government would undoubtedly have a short term dampening effect on the local property market by discouraging excessive speculative buying. While the Group is concerned with the short term implication, the cooling measures would also help to ensure a stronger and sustainable property market going forward. The Group is confident of managing the new market environment due to the strategic location of our land bank and the strong public response received for our recent launches of integrated property projects within the Klang Valley.

In view of the foregoing and barring any unforeseen circumstances, the Group will continue to perform well.

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 current taxation does not include the tax payable for the share of profit from associates and share of profit from jointly controlled entities as the share of profit is recognised on an after tax basis.

	Current Quarter Ended 30/9/2013 RM'000	Cumulative Year To Date 30/9/2013 RM'000
Current taxation	(32,820)	(87,510)
Deferred taxation	16,222	12,113
	(16,598)	(75,397)

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 30/9/2013 RM'000	Cumulative Year To Date 30/9/2013 RM'000
Depreciation and amortisation	(26,157)	(79,203)
Provision/Impairment for:		
- Trade receivables	(546)	(1,560)
Write off:		
- Trade receivables	(1,796)	(5,147)
Gain/(loss) on disposal of:		
- property, plant and equipment	936	2,791
Foreign exchange gain/(loss):		
- Others	(2,454)	(4,341)
- Unrealised for hedged items	(21,912)	(61,382)
Cash flow hedge reserve recycled to profit or loss	21,912	61,382

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 renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and proposed establishment of an Employees' Share Option Scheme ("ESOS")

On 5 April 2013, Sunway Berhad ("Company") had announced its proposal to undertake a renounceable rights issue of up to 594,552,301 Rights Shares at an issue price of RM1.70 per Rights Shares ("Issue Price"), on the basis of one Rights Share for every three existing ordinary shares of RM1.00 each ("Sunway Shares"), held by the shareholders of the Company on an entitlement date to be determined later ("Entitlement Date") ("Entitled Shareholders").

The maximum number of 594,552,301 Rights Shares was arrived at after taking into account the following:

(a) issued and paid–up share capital of the Company as at 30 September 2013 of RM1,292,505,152 comprising 1,292,505,152 Sunway Shares;

(b) assuming the full exercise of all 258,500,852 outstanding Company warrants 2011/2016 (“Sunway Warrants”) as at 30 September 2013 (“Outstanding Sunway Warrants”) into 258,500,852 new Sunway Shares prior to the implementation of the Proposed ESOS;

(c) assuming 232,650,900 ESOS Options (as defined below), being the maximum number of ESOS Options (as defined below) made available under the Proposed ESOS (15% of the then issued and paid-up share capital of the Company), are fully granted in a single tranche, and fully vested and exercised into 232,650,900 new Sunway Shares; and

(d) the ESOS Shares (as defined below) are allotted prior to the Entitlement Date.

Any unsubscribed Rights Shares shall be made available for excess applications by other Entitled Shareholders and/or their renouncee(s). It is the intention of the Board of Directors of the Company ("the Board") to allocate the excess Rights Shares, if any, in a fair and equitable manner as they may deem fit or expedient, and in the best interest of the Company.

Any fractional entitlements of the Rights Shares under the Proposed Rights Issue will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deems fit or expedient and in the best interest of the Company.

The Proposed Rights Issue would enable the Company to raise funds to part finance its capital expenditure including for the development of its investment properties, land bank acquisitions and purchase of property, plant and equipment, repayment of existing borrowings and for its general working capital requirements which are expected to contribute positively to the future profitability of the Group.

On the same date, the Company proposed to establish and implement an ESOS for the granting of option(s) (“ESOS Option(s)”) to subscribe for new Sunway Shares to the eligible executive directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) (collectively referred to as “Participating Sunway Group”) who fulfil the eligibility criteria (“Eligible Persons”), subject to the terms and conditions of the by-laws governing the Proposed ESOS (“By-Laws”).

The number of ESOS Options to be vested onto the Grantee in each Annual Vesting is based on the Grantee's level of performance for the calendar year prior to the date of such Annual Vesting.

The salient features of the Proposed ESOS, which will be governed by the By-Laws, are as follows:

(a) the Eligibility of the executive director(s) and employee(s) of the Participating Sunway Group;
(b) maximum number of new Sunway Shares available under the Proposed ESOS shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company ("Maximum ESOS Shares Available");
(c) the allocation of new Sunway Shares to be made available for the granting of ESOS Options;
(d) the duration of the Proposed ESOS;
(e) the ESOS Option price;
(f) the ranking of the new ESOS Shares;
(g) the listing and quotation of new ESOS Shares;
(h) the utilisation of the gross proceeds from the exercise of the ESOS Options will be made towards the Group's working capital requirements.

The Board believes the implementation of the Proposed ESOS would align the interests of the Eligible Persons with the Company's effort to enhance its shareholders' value.

On 20 May 2013, the Board had decided to amend the total number of ESOS Shares to an amount not exceeding the aggregate of 10% of the total issued and paid-up share capital of Sunway, instead of 15%, which was disclosed in the earlier announcement.

On 21 May 2013, the Company submitted an additional listing application for the following and this was approved by Bursa Securities vide its letter dated 5 June 2013 (which was received on 6 June 2013):

(i) listing of up to 568,702,201 Rights Shares;

(ii) listing of such number of ESOS Shares, representing up to 10% of the issued and paid-up ordinary share capital of Sunway (excluding treasury shares);

(iii) listing of up to 31,252,439 Additional Sunway Warrants arising from the Proposed Rights Issue; and

(iv) listing of up to 31,252,439 additional Sunway Shares arising from the exercise of Additional Sunway Warrants.

The above approval are subject to the following conditions:

(1) Sunway and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") pertaining to the implementation of the Proposed Rights Issue;

(2) Sunway and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue;

(3) Sunway to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed;

(4) RHB Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting;

(5) Sunway is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS Shares listed as at the end of each quarter together with a details computation of listing fees payable; and

(6) Sunway is to comply with Paragraph 6.56(1) of the Listing Requirements.

In addition, the Controller of Foreign Exchange of Bank Negara Malaysia has taken note, vide its letter dated 5 June 2013 (which was received on 6 June 2013), of the issuance of Additional Sunway Warrants to be issued to the non-resident holders pursuant to adjustments in accordance with the provisions of the Deed Poll as a result of the Proposed Rights Issue and any Additional Sunway Warrants to be issued from time to time arising from any adjustments made pursuant to the provisions of the Deed Poll.

As at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 30 July 2013, Sunway had received valid acceptances and excess applications for a total of 571,048,371 Rights Shares. This represents an over subscription of approximately 32.53% over the total number of Rights Shares available under the Rights Issue. Accordingly, the excess Rights Shares will be allocated in accordance with the basis as stated in the abridged prospectus dated 15 July 2013 in relation to the Rights Issue.

On 13 Aug 2013, 430,868,877 Rights Shares and 31,232,424 Additional Sunway Warrants pursuant to the adjustments to the exercise price and the number of outstanding warrrants 2011/2016 of Sunway Berhad in accordance with the Deed Poll dated 28 June 2011 governing the Sunway Warrants pursuant to the rights issue, were listed and quoted on the Main Market of Bursa Securities.

The total gross proceeds raised from the Rights Issue amounted to RM732,477,000. The status of the utilisation of proceeds as at 30 September 2013 is as follow:

Details of utilisation	Approved utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Timeframe for utilisation
Capital expenditure				
(i) Acquisition of land	170,000	-	170,000	Within 36 months
(ii) Development of investment properties	70,000	50,780	19,220	Within 30 months
(iii) Development costs for property development projects	70,000	45,830	24,170	Within 24 months
(iv) Acquisition of property, plant and equipment	90,000	-	90,000	Within 18 months
Repayment of existing borrowings	300,000	300,000	-	Within 12 months
Genaral working capital of our Group	31,706	30,274	1,432	Within 12 months
Estimated expenses in relation to the Rights Issue	771	469	302	Within 6 months
	732,477	427,353	305,124	

As the full utilisation of the proceeds raised from the Rights Issue was not immediate and as part of our Group's efficient capital management to minimize funding cost and maximize interest income, our Group had immediately placed the funds which are unutilised amounting to RM245,124,000 with licensed financial institutions and money market funds and had also temporarily deployed RM60,000,000 to repay our Group's existing borrowings. In the coming quarters, our Group would drawdown on the credit facilities accorded to our Group and utilise the funds placed with the financial institutions or money market funds as and when the need arises for the approved utilisation purposes.

The ESOS has been implemented with effect from 3 September 2013.

Proposed Disposal of 20% Equity Interest in Sunway REIT Management Sdn. Bhd. ("SRM")

On 14 August 2013, the Company entered into a Share Sale Agreement ("SSA") with Millennium Pavilion Sdn Bhd ("MPSB") for the purpose of disposing 200,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid-up share capital of SRM to MPSB free from all encumbrances, claims, charges, liens and equities and with all rights attaching thereto at a total consideration of RM28,000,000/- ("Proposed Disposal"). The purchase consideration is based on a price earnings ratio of 10 times based on 2012 earnings. The original cost of investment was RM200,000/- which was made on 18 August 2011.

Sunway has also on even date, entered into a Shareholders Agreement ("SA") with MPSB for the purpose of regulating the relationship between Sunway and MPSB as shareholders of SRM ("Proposed Joint Venture").

There are no liabilities (including contingent liabilities and guarantees) to be assumed by Sunway arising from the Proposed Disposal and Proposed Joint Venture.

The Proposed Joint Venture does not require approval from the shareholders of Sunway or any relevant authorities. However, the Proposed Disposal is subject to approval/consent of the SC. Barring any unforeseen circumstances and subject to the approval of the relevant authorities and fulfillment of all conditions precedent, the Proposed Disposal is expected to be completed by the second half of 2013.

Salient terms and conditions of the SSA

The completion of the Proposed Disposal is conditional upon the fulfillment of the following conditions within 3 months from the date of the SSA or such other date as may be mutually agreed to in writing between Sunway and MPSB ("Cut-Off Date"):-

(i) SRM having obtained the approval of Securities Commission ("SC") for the change in the shareholding of SRM vis-à-vis its continuing eligibility to be a management company of Sunway REIT, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and

(ii) SRM having obtained the approval of the SC for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

Salient terms and conditions of the SA

SA is subject to and conditional upon the completion of the Proposed Disposal under the SSA by the Cut-Off Date.

Upon completion of the Proposed Disposal, the shareholding of Sunway and MPSB in SRM will be in the proportion of 80%:20%.

The SA also provides that :-

(i) Sunway shall be entitled to nominate and appoint four (4) directors whilst MPSB shall be entitled to nominate and appoint one (1) director in SRM;

(ii) The chief executive officer of SRM shall be appointed by the board of SRM as a Directors' Reserved Matter, which requires the affirmative votes of at least one (1) director representative each from Sunway and MPSB; and

(iii) Sunway shall have the right to nominate chief financial controller and the asset managers of Sunway REIT for the approval of SRM's board.

Rationale

The shareholders of MPSB comprise distinguished individuals namely Dato' Lim Say Chong, Mr Oh Kim Sun and Mr Ng Sing Hwa with a wealth of experience in the property, banking and manufacturing industries. With their extensive experience in the corporate world and wide network of contacts, MPSB would be able to add value to SRM by providing additional leads for property acquisition as well as strategic insights at SRM's board level as MPSB will be granted a seat on the board of SRM.

In addition, the Proposed Disposal will enable the Group to raise cash proceeds of RM28 million from the disposal consideration and realizes an immediate gain on disposal of RM26 million.

Subsequent to the Proposed Disposal, the Group will not be required to consolidate the financials of Sunway REIT under the new "Financial Reporting Standard 10 – Consolidated Financial Statements" which takes effect from 1 January 2013.

Effects Of The Proposed Disposal And Proposed Joint Venture

The Proposed Disposal and Proposed Joint Venture will not have any effect on the share capital and substantial shareholders' shareholding of Sunway as they do not involve any allotment or issuance of new shares by Sunway.

Other than the fair value gain (under the Financial Reporting Standards) which can be quantified upon the completion of the Proposed Disposal, the Proposed Disposal and Proposed Joint Venture are not expected to have any immediate material effect on the earnings per share, net assets per share and gearing of Sunway for the current financial year ending 31 December 2013.

The following approvals for the Proposed Disposal had been obtained on 31 October 2013 from the Securities Commission ("SC"):-

(a) for the change in the shareholding of Sunway Reit Management Sdn. Bhd. ("SRM") vis-à-vis its continuing eligibility to be a management company of Sunway Real Estate Investment Trust, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and

(b) for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

The Proposed Disposal and Proposed Joint Venture have been completed on 14 November 2013.

B8 **Group Borrowings and Debt Securities**

The Group borrowings as at 30 September 2013 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings:			
- Current	1,046,142	608,046	1,654,188
- Non-current	951,267	76,089	1,027,356
	1,997,409	684,135	2,681,544

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

	Foreign currency		RM'000	
Secured	Current	Non-current	Current	Non-current
US Dollar (USD'000) *	255,600	100,000	812,808	318,000
Singapore Dollar (SGD'000) **	6,397	17,120	16,076	43,024
Trinidad & Tobago Dollar (TTD'000) **	-	-	-	-
Chinese Renminbi (RMB'000) **	52,212	9,489	27,014	4,910
Australia Dollar (AUD'000) **	254	23	747	67
Unsecured				
Singapore Dollar (SGD'000) **	897	-	2,255	-
Indonesian Rupiah (RP'000) **	12,186,607	-	3,437	-
			862,337	366,001

Notes:

* Borrowings in which cross currency swap contracts have been entered into.

** Borrowings obtained by overseas subsidiaries.

B9 **Derivative Financial Instruments**

The Group's outstanding derivatives as at 30 September 2013 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	6,172	56	102
Interest rate swap contracts			
- 1 year to 3 year	12,737	(99)	186
Total losses on derivatives as per Note A4			288
Cross currency swap contracts			
- 1 year to 3 year	1,073,318	36,157	4,251
Total derivatives		36,114	4,539

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) 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 RM51 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 Rs781,394,628.61 (approximately equivalent to RM45 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.

75 hearings had been held and on 11 January 2013, the arbitrator that presided over the case passed away. The Claimant and SunCon may now proceed to appoint another arbitrator that is agreeable by both parties, failing such agreement an application can be filed to the Supreme Court for an appointment.

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:

	30/9/2013 RM'000	31/12/2012 RM'000
Total retained profit of the Group:-		
Realised	748,038	564,591
Unrealised	164,173	103,612
Total share of retained profits from associated companies:		
Realised	157,644	100,742
Unrealised	186,380	126,683
Total share of retained profits from Jointly Controlled Entities:		
Realised	334,900	241,014
Unrealised	-	-
Less: Consolidation adjustments	(384,810)	(202,267)
Total Group's retained profits as per consolidated accounts	1,206,325	934,375

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**

Other than the dividend paid as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ended 30 September 2013.

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 30/9/2013 RM'000	Cumulative Year To Date 30/9/2013 RM'000
Basic earnings per share		
Profit attributable to members of the Company	93,145	354,045
Weighted Average Number of Ordinary Shares	1,604,302	1,397,581
Earnings per share (Basic) (sen)	5.81	25.33
Diluted earnings per share		
Profit attributable to members of the Company	93,145	354,045
Weighted Average Number of Ordinary Shares	1,638,801	1,426,674
Earnings per share (Diluted) (sen)	5.68	24.82

By Order of the Board

Tan Kim Aun
Chin Lee Chin

Secretaries