

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING	INCREASE/ (DECREASE)	CURRENT YEAR	PRECEDING YEAR CORRESPONDING	INCREASE/ (DECREASE)
		QUARTER 30/9/2017	QUARTER 30/9/2016		TO DATE 30/9/2017	PERIOD 30/9/2016	
		RM'000	RM'000	%	RM'000	RM'000	%
REVENUE		1,319,642	1,137,493	16%	3,651,936	3,362,187	9%
OPERATING EXPENSES		(1,192,021)	(1,014,868)	17%	(3,255,693)	(2,982,221)	9%
OTHER OPERATING INCOME		25,943	41,797	(38%)	67,977	95,507	(29%)
PROFIT FROM OPERATIONS		153,564	164,422	(7%)	464,220	475,473	(2%)
FINANCE INCOME		56,198	31,521	78%	142,735	81,289	76%
FINANCE COSTS		(62,492)	(34,100)	83%	(174,503)	(115,529)	51%
SHARE OF PROFIT FROM ASSOCIATES		29,908	25,124	19%	139,851	96,337	45%
SHARE OF PROFIT FROM JOINT VENTURES		19,561	21,578	(9%)	49,001	50,830	(4%)
PROFIT BEFORE TAX		196,739	208,545	(6%)	621,304	588,400	6%
INCOME TAX EXPENSE	B5	(28,960)	(37,708)	(23%)	(94,457)	(94,430)	0%
PROFIT FOR THE PERIOD		167,779	170,837	(2%)	526,847	493,970	7%
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		150,854	143,605	5%	455,709	400,068	14%
- NON-CONTROLLING INTERESTS		16,925	27,232	(38%)	71,138	93,902	(24%)
		167,779	170,837	(2%)	526,847	493,970	7%
EARNINGS PER SHARE							
(i) BASIC (sen)		7.38	7.02	5%	22.23	20.74	7%
(ii) DILUTED (sen)		7.26	6.95	4%	21.83	20.26	8%

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER 30/9/2017	CORRESPONDING QUARTER 30/9/2016	TO DATE 30/9/2017	CORRESPONDING PERIOD 30/9/2016
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	167,779	170,837	526,847	493,970
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(6,668)	20,779	7,492	1,504
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	-	-	-	3,869
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	32,792	57,988	111,193	(100,502)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(32,919)	(51,962)	(107,956)	93,661
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(6,795)	26,805	10,729	(1,468)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>160,984</u>	<u>197,642</u>	<u>537,576</u>	<u>492,502</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	144,356	170,273	459,679	399,321
- NON-CONTROLLING INTERESTS	16,628	27,369	77,897	93,181
	<u>160,984</u>	<u>197,642</u>	<u>537,576</u>	<u>492,502</u>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 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 2017
THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/9/2017 RM'000	IMMEDIATE PRECEDING QUARTER 30/6/2017 RM'000	INCREASE/ (DECREASE) %
REVENUE	1,319,642	1,240,954	6%
OPERATING EXPENSES	(1,192,021)	(1,071,599)	11%
OTHER OPERATING INCOME	25,943	24,540	6%
PROFIT FROM OPERATIONS	<u>153,564</u>	<u>193,895</u>	(21%)
FINANCE INCOME	56,198	43,678	29%
FINANCE COSTS	(62,492)	(62,413)	0%
SHARE OF PROFIT FROM ASSOCIATES	29,908	82,969	(64%)
SHARE OF PROFIT FROM JOINT VENTURES	19,561	13,317	47%
PROFIT BEFORE TAX	<u>196,739</u>	<u>271,446</u>	(28%)
INCOME TAX EXPENSE	(28,960)	(38,158)	(24%)
PROFIT FOR THE PERIOD	<u><u>167,779</u></u>	<u><u>233,288</u></u>	(28%)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	150,854	196,943	(23%)
- NON-CONTROLLING INTERESTS	<u>16,925</u>	<u>36,345</u>	(53%)
	<u><u>167,779</u></u>	<u><u>233,288</u></u>	(28%)
EARNINGS PER SHARE			
(i) BASIC (sen)	<u>7.38</u>	<u>9.62</u>	(23%)
(ii) DILUTED (sen)	<u>7.26</u>	<u>9.48</u>	(23%)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 30/9/2017 RM'000	IMMEDIATE PRECEDING QUARTER 30/6/2017 RM'000
PROFIT FOR THE PERIOD	167,779	233,288
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(6,668)	(9,105)
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS		
- FAIR VALUE OF DERIVATIVES	32,792	101,348
- AMOUNT RECYCLED TO PROFIT OR LOSS	<u>(32,919)</u>	<u>(98,129)</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>(6,795)</u>	<u>(5,886)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>160,984</u>	<u>227,402</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	144,356	176,663
- NON-CONTROLLING INTERESTS	<u>16,628</u>	<u>50,739</u>
	<u>160,984</u>	<u>227,402</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	AS AT END OF CURRENT QUARTER 30/9/2017	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2016
	RM'000	RM'000 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	1,808,286	1,879,929
Intangible assets	33,164	32,811
Investment properties	2,837,434	2,798,405
Land held for property development	1,318,665	1,191,512
Investment in associates	1,789,985	1,728,879
Investment in joint ventures	1,529,750	1,501,055
Goodwill	310,429	311,840
Deferred tax assets	88,405	70,758
Receivables	45,058	49,760
Derivative assets	39,518	164,711
Rock reserves	6,198	6,394
Other investments	503	476
Biological assets	671	825
	<u>9,808,066</u>	<u>9,737,355</u>
Current assets		
Properties development costs	1,112,143	1,171,286
Inventories	659,443	669,965
Receivables, deposits & prepayments	2,939,985	2,711,263
Cash and bank balances, and placement in funds	5,229,397	4,080,055
Tax recoverable	48,881	39,085
Derivative assets	171,053	342,944
	<u>10,160,902</u>	<u>9,014,598</u>
Assets of disposal group classified as held for sale	295,546	-
TOTAL ASSETS	<u>20,264,514</u>	<u>18,751,953</u>
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,727,708	2,630,723
Bank borrowings	4,925,215	4,860,045
Taxation	46,884	30,885
Derivative liabilities	21,539	5,560
	<u>7,721,346</u>	<u>7,527,213</u>
Non-current liabilities		
Long term bank borrowings	3,288,026	2,553,122
Other long term liabilities	344,687	340,183
Derivative liabilities	3,631	3,644
Deferred taxation	111,874	94,561
	<u>3,748,218</u>	<u>2,991,510</u>
Total liabilities	<u>11,469,564</u>	<u>10,518,723</u>
Equity attributable to Owners of the Parent		
Share capital	2,250,855	2,063,067
Share premium	3,119,185	3,118,802
Treasury shares	(57,436)	(120,532)
Equity contribution from non-controlling interests	51,654	51,654
Reserves	2,620,092	2,356,731
	<u>7,984,350</u>	<u>7,469,722</u>
NON-CONTROLLING INTERESTS	<u>810,600</u>	<u>763,508</u>
Total equity	<u>8,794,950</u>	<u>8,233,230</u>
TOTAL EQUITY AND LIABILITIES	<u>20,264,514</u>	<u>18,751,953</u>
Number of ordinary shares	2,118,225	2,063,067
Net Assets Per Share Attributable To Owners Of The Parent (RM)	3.77	3.62

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 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 2017
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----																		
	NON-DISTRIBUTABLE				RESERVES							DISTRIBUTABLE		TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		NON-CONTROLLING INTERESTS		TOTAL EQUITY	
	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS	NEGATIVE MERGER RESERVE	FOREIGN EXCHANGE RESERVE	SHARE OPTION RESERVE	HEDGE RESERVE	FURNITURE & FITTINGS RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	TOTAL RESERVES	OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY			
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 2017																			
At 1 January 2017	2,063,067	3,118,802	(120,532)	51,654	(1,192,040)	145,649	63,987	(21,794)	8,370	191,645	3,160,914	2,356,731	7,469,722	763,508	8,233,230				
Profit for the year	-	-	-	-	-	-	-	-	-	455,709	455,709	455,709	455,709	71,138	526,847				
Other comprehensive income	-	-	-	-	-	733	-	3,237	-	-	3,970	3,970	3,970	6,759	10,729				
Total comprehensive income	-	-	-	-	-	733	-	3,237	-	-	455,709	459,679	459,679	77,897	537,576				
Issuance of ordinary shares pursuant to - exercise of ESOS	187,788	383	-	-	-	-	(44,610)	-	-	-	-	(44,610)	143,561	3,146	146,707				
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(34,965)	(34,965)				
Share buy back by a subsidiary	-	-	-	-	-	-	-	-	-	-	(580)	(580)	(580)	(713)	(1,293)				
Purchase of treasury shares during the year	-	-	(580)	-	-	-	-	-	-	-	-	-	(580)	-	(580)				
Dividends declared	-	-	63,676	-	-	-	-	-	-	-	(144,827)	(144,827)	(81,151)	-	(81,151)				
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	400	400				
Shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	-	-	(6,101)	(6,101)	(6,101)	3,227	(2,874)				
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	-	142	(342)	(200)	(200)	(1,900)	(2,100)				
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	1,827	-	-	(1,827)	-	-	-	-				
At 30 September 2017	2,250,855	3,119,185	(57,436)	51,654	(1,192,040)	146,382	19,377	(18,557)	10,197	191,787	3,462,946	2,620,092	7,984,350	810,600	8,794,950				
PERIOD ENDED 30 SEPTEMBER 2016																			
At 1 January 2016	1,799,755	2,771,822	(63,604)	51,654	(1,192,040)	141,245	75,166	(9,972)	4,573	181,762	2,802,355	2,003,089	6,562,716	650,558	7,213,274				
Profit for the year	-	-	-	-	-	-	-	-	-	-	400,068	400,068	400,068	93,902	493,970				
Other comprehensive income	-	-	-	-	-	2,223	-	(6,841)	-	3,871	-	(747)	(747)	(721)	(1,468)				
Total comprehensive income	-	-	-	-	-	2,223	-	(6,841)	-	3,871	400,068	399,321	399,321	93,181	492,502				
New ESOS granted	-	-	-	-	-	-	5,244	-	-	-	-	7,866	7,866	-	7,866				
Issuance of ordinary shares pursuant to - exercise of ESOS	8,041	25,003	-	-	-	-	(9,791)	-	-	-	-	(13,044)	20,000	-	20,000				
- exercise of warrants	252,646	315,807	-	-	-	-	-	-	-	-	-	-	568,453	-	568,453				
Purchase of treasury shares during the year	-	-	(20,323)	-	-	-	-	-	-	-	-	-	(20,323)	-	(20,323)				
Dividends declared	-	-	-	-	-	-	-	-	-	-	(117,721)	(117,721)	(117,721)	-	(117,721)				
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,330)	(41,330)				
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	(577)	(577)	(577)	(885)	(1,462)				
Redemption of redeemable preference shares	-	-	-	-	-	-	-	-	-	500	(500)	-	-	-	-				
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	1,571	-	-	(1,571)	-	-	-	-				
At 30 September 2016	2,060,442	3,112,632	(83,927)	51,654	(1,192,040)	143,468	70,619	(16,813)	6,144	186,133	3,082,054	2,278,934	7,419,735	701,524	8,121,259				

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	FOR THE 9 MONTHS PERIOD ENDED 30/9/2017	FOR THE 9 MONTHS PERIOD ENDED 30/9/2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	621,304	588,400
Adjustments for:		
- non-cash items	(101,377)	(72,365)
- finance costs	174,503	115,529
- finance income	(142,735)	(81,289)
Operating cash flows before working capital changes	551,695	550,275
Changes in working capital	(190,192)	(234,086)
Cash flow generated from operations	361,503	316,189
Interest received	142,735	79,621
Dividend received from joint ventures and associates	84,106	86,922
Tax refunded	1,376	6,007
Tax paid	(89,964)	(68,136)
Net cash flow generated from operating activities	499,756	420,603
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment, and biological assets	12,476	2,435
Proceeds from disposal of land held for property development	-	2,387
Acquisition of land	(82,376)	(61,491)
Acquisition of property, plant and equipment, and biological assets	(296,099)	(244,800)
Acquisition of intangible assets	(5,668)	(3,504)
Acquisition and additional investment in subsidiaries	-	(1,808)
Acquisition of equity interest from non-controlling interest	-	(1,462)
Acquisition and subsequent expenditure of investment properties	(104,285)	(200,306)
Additional shares acquired by non-controlling interest	300	-
Investment in joint ventures	(500)	(58,573)
Investment in associates	(3,522)	(5,903)
Advances to from associates and joint ventures	156,083	(43,323)
Net cash used in investing activities	(323,591)	(616,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	1,071,533	1,273,205
Placement of short-term investments	-	(480,144)
Redemption of preference shares held by minority shareholders in subsidiary companies	(2,100)	-
Interest paid	(174,503)	(111,520)
Proceeds from issue of shares from exercise of warrants	-	568,453
Proceeds from issue of shares from exercise of ESOS	146,707	20,000
Repurchase of shares	(580)	(20,323)
Dividend paid to shareholders	(80,865)	(117,720)
Dividend paid to non-controlling interests of subsidiaries	(34,965)	(41,330)
Net cash generated from financing activities	925,227	1,090,621
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,101,392	894,876
EFFECTS OF EXCHANGE RATE CHANGES	(2,491)	3,508
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,824,156	1,247,897
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,923,057	2,146,281
Bank overdrafts	121,752	87,455
Short-term investments	2,184,588	1,765,735
Cash and bank balances, and placement in funds	5,229,397	3,999,471
(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.)		

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Financial Reporting Standards ("FRS") for the financial period ending 30 September 2017.

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 five years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

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 2018.

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 2016. 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 2016.

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 2016 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 2017, as disclosed below:

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 12	Annual Improvements to FRS Standards 2016 - 2016 Cycle

The adoption of the above pronouncements does not have any significant impact to the Group.

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 2017.

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 2017.

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

During the financial period ended 30 September 2017, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 55,158,473 ordinary shares pursuant to the exercise of the Employees' Share Option Scheme;
- (b) the repurchase of equity securities of 191,900 ordinary shares at an average price of RM3.02 per share.

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

Dividend payments made since the last financial year end are as follows:

- (a) RM81,151,797 was paid on 28 April 2017 as second interim dividend of 4 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2016.
- (b) A share dividend distribution of approximately 20.3 million treasury shares was distributed on 28 April 2017 on the basis of 1 treasury share for every 100 existing ordinary shares held.

Based on the cost of treasury shares amounting to RM63.7 million (equivalent to approximately RM3.14 per share), the share dividend is equivalent to cash dividend of 3.14 sen per share.

- (c) RM146,994,145 was paid on 26 October 2017 as first interim dividend of 3 sen per ordinary share for the financial year ended 31 December 2017 after the bonus issue of new ordinary shares on the basis of four (4) bonus shares for every three (3) existing Sunway shares held. The aforesaid cash dividend before the bonus issue of new ordinary shares is equivalent to 7 sen per ordinary share.

A8 Segmental Reporting

Segmental results for the financial period ended 30 September 2017 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	Consolidated RM'000
BY BUSINESS SEGMENTS								
REVENUE AND EXPENSES								
Total revenue	620,767	746,368	1,675,010	933,047	160,355	538,485	570,244	5,244,276
Inter-company sales	(44,129)	(126,660)	(630,647)	(168,931)	(11,183)	(536,123)	(74,667)	(1,592,340)
External sales	576,638	619,708	1,044,363	764,116	149,172	2,362	495,577	3,651,936
Results								
Operating segment results	94,474	147,833	113,298	43,904	8,120	(13,340)	69,931	464,220
Finance income	20,202	3,399	10,776	909	119	93,200	14,130	142,735
Finance costs	(15,853)	(134,820)	(4,379)	(11,522)	(1,587)	3,161	(9,503)	(174,503)
Share of results of:								
- associated companies	2	137,633	-	-	-	-	2,216	139,851
- joint ventures	36,886	11,534	581	-	-	-	-	49,001
Profit before taxation	135,711	165,579	120,276	33,291	6,652	83,021	76,774	621,304
Taxation	(23,464)	(26,560)	(22,145)	(9,732)	(1,196)	(3,419)	(7,941)	(94,457)
Profit for the period	112,247	139,019	98,131	23,559	5,456	79,602	68,833	526,847
Non controlling interests	(28,044)	5,724	(46,200)	(2,350)	(156)	11	(123)	(71,138)
Attributable to owners of the parent	84,203	144,743	51,931	21,209	5,300	79,613	68,710	455,709

	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	3,269,956	569,697	479,945	417,198
Singapore	159,396	49,626	49,132	42,835
China	108,032	(10,687)	(11,583)	(11,746)
India	-	(66)	(66)	(66)
Australia	32,812	4,168	3,895	2,152
United Arab Emirates	-	398	398	216
Other Countries	81,740	8,168	5,126	5,120
	3,651,936	621,304	526,847	455,709

Segmental results by foreign currency for the financial period ended 30 September 2017 are as follows:

PROPERTY DEVELOPMENT SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	569,270	106,375	83,166	56,825	569,270	106,375	83,166	56,825
Australian Dollar (AUD'000)	-	1,008	931	419	-	3,358	3,103	1,396
Hong Kong Dollar (HKD'000)	-	(3,893)	(3,893)	(3,893)	-	(2,169)	(2,169)	(2,169)
India Rupee (INR'000)	-	-	-	-	-	-	-	-
China Yuan Renminbi (RMB'000)	11,533	(10,882)	(10,882)	(10,882)	7,368	(6,952)	(6,952)	(6,952)
Singapore Dollar (SGD'000)	-	11,182	11,182	11,182	-	35,111	35,111	35,111
US Dollar (USD'000)	-	(3)	(3)	(2)	-	(12)	(12)	(8)
					576,638	135,711	112,247	84,203

PROPERTY INVESTMENT DIVISION SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	603,336	166,691	140,270	146,005	603,336	166,691	140,270	146,005
Hong Kong Dollar (HKD'000)	-	(731)	(731)	(731)	-	(407)	(407)	(407)
US Dollar (USD'000)	2,385	37	5	3	10,349	162	23	12
Vietnam Dong (VND'000,000)	31,535	(4,539)	(4,539)	(4,539)	6,023	(867)	(867)	(867)
					619,708	165,579	139,019	144,743

CONSTRUCTION SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	925,897	96,507	74,571	39,110	925,897	96,507	74,571	39,110
United Arab Emirates Dirham (AED'000)	-	337	337	183	-	398	398	216
India Rupee (INR'000)	-	75,678	75,678	41,184	-	5,057	5,057	2,752
Singapore Dollar (SGD'000)	37,728	5,833	5,766	3,138	118,466	18,314	18,105	9,853
					1,044,363	120,276	98,131	51,931

TRADING & MANUFACTURING SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	553,848	19,687	14,058	12,358	553,848	19,687	14,058	12,358
Australian Dollar (AUD'000)	9,845	243	237	227	32,812	810	791	756
Indonesia Rupiah (IDR'000,000)	138,220	15,945	9,803	9,803	44,937	5,184	3,187	3,187
China Yuan Renminbi (RMB'000)	111,384	8,019	6,629	5,666	71,158	5,123	4,235	3,620
Singapore Dollar (SGD'000)	13,035	101	8	8	40,930	318	25	25
Thai Baht (THB'000)	160,693	17,059	9,934	9,934	20,431	2,169	1,263	1,263
					764,116	33,291	23,559	21,209

INVESTMENT HOLDING SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	2,362	87,612	84,201	84,200	2,362	87,612	84,201	84,200
Hong Kong Dollar (HKD'000)	-	(1,596)	(1,610)	(1,589)	-	(889)	(897)	(885)
China Yuan Renminbi (RMB'000)	-	(5,795)	(5,795)	(5,795)	-	(3,702)	(3,702)	(3,702)
					2,362	83,021	79,602	79,613

OTHERS SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	466,071	78,759	70,818	70,254	466,071	78,759	70,818	70,254
China Yuan Renminbi (RMB'000)	46,186	(3,286)	(3,286)	(2,595)	29,506	(2,099)	(2,099)	(1,658)
					495,577	76,774	68,833	68,710

The quarry segment is denominated entirely in Malaysian Ringgit.

Segmental assets and liabilities for the financial period ended 30 September 2017 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Segment assets	4,605,680	4,208,261	1,556,125	861,625	159,307	3,937,039	1,479,456	16,807,493
Investment in associates	26,847	1,702,839	-	269	-	-	60,030	1,789,985
Investment in joint ventures	1,414,030	115,720	-	-	-	-	-	1,529,750
Unallocated assets								137,286
Total assets								20,264,514
Liabilities								
Segment liabilities	1,274,989	1,002,400	982,988	258,070	57,133	7,216,414	518,812	11,310,806
Unallocated liabilities								158,758
Total liabilities								11,469,564

A9 Foreign Currency Rates

The foreign currency exchange rates used are as follows:

Denomination	Closing rate	Average rate
United Arab Emirates Dirham	1.1531	1.1824
Australian Dollar	3.3259	3.3330
Hong Kong Dollar	0.5419	0.5571
Indonesia Rupiah ('000)	0.3130	0.3251
India Rupee	0.0665	0.0668
Japanese Yen	0.0377	0.0389
China Yuan Renminbi	0.6358	0.6389
Singapore Dollar	3.1203	3.1400
Thai Baht	0.1268	0.1271
US Dollar	4.2320	4.3388
Vietnam Dong ('000)	0.1863	0.1910

Income and expenses are translated at the average rate whereas the assets and liabilities are translated at the closing rate.

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 2017.

A12 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 2017.

A13 Contingent Liabilities and Assets

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

	30/9/2017 RM'000	31/12/2016 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>736,638</u>	<u>687,772</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 year as at 30 September 2017 is as follows:

	30/9/2017 RM'000	31/12/2016 RM'000
Amount authorised and contracted for	58,459	66,164
Amount authorised but not contracted for	<u>192,057</u>	<u>150,370</u>
	<u>250,516</u>	<u>216,534</u>

(b) Operating lease commitment not provided for in the financial year as at 30 September 2017 is as follows:

	30/9/2017 RM'000	31/12/2016 RM'000
Future minimum lease payment:		
- not later than 1 year	94,856	90,601
- later than 1 year and not later than 5 years	253,421	281,241
- later than 5 years	<u>53,267</u>	<u>90,295</u>
	<u>401,544</u>	<u>462,137</u>
Future minimum lease receipts:		
- not later than 1 year	75,944	78,069
- later than 1 year and not later than 5 years	298,278	275,663
- later than 5 years	<u>771,298</u>	<u>938,425</u>
	<u>1,145,520</u>	<u>1,292,157</u>

B1 Review of Performance

For the quarter

The Group recorded revenue of RM1,319.6 million and profit before tax of RM196.7 million for the current quarter ended 30 September 2017 compared to revenue of RM1,137.5 million and profit before tax of RM208.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 16.0% and decrease in profit before tax of 5.7%. Revenue in the current quarter was higher due to higher contribution from most business segments, particularly the property investment, construction and trading and manufacturing segments. Profit before tax was lower in the current quarter, however, due to the property development and quarry segments which registered lower profits.

The property development segment reported revenue of RM162.2 million and profit before tax of RM35.5 million in the current quarter compared to revenue of RM247.6 million and profit before tax of RM62.2 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 34.5% and profit before tax of 43.0%. The lower revenue and profit before tax were mainly due to lower sales and progress billings from local development projects.

The property investment segment reported revenue of RM225.4 million and profit before tax of RM50.0 million in the current quarter compared to revenue of RM189.9 million and profit before tax of RM45.9 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 18.7% and profit before tax of 9.0%. The increase in revenue was mainly contributed by additional revenue from the new Sunway Velocity Mall, which was opened in December 2016 and higher revenue from Sunway Pyramid Hotel which was re-opened progressively in 2017 following a refurbishment exercise in 2016. Although profit contribution from the new Sunway Velocity Mall is not expected to be positive during the initial rental period due to higher rebates given in the current competitive market condition, the current profit before tax was still higher due to better contribution from the other operations.

The construction segment recorded revenue of RM416.6 million and profit before tax of RM41.0 million in the current quarter compared to revenue of RM287.9 million and profit before tax of RM32.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 44.7% and profit before tax of 27.5%. The financial performance of the segment in the current quarter was better mainly due to higher progress billings from local construction projects and lower intra-group eliminations.

The trading and manufacturing segment recorded revenue of RM292.9 million and profit before tax of RM14.2 million in the current quarter compared to revenue of RM206.7 million and profit before tax of RM7.3 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 41.7% and profit before tax of 95.3%. This segment saw an improvement in revenue and profit before tax due to better overall market condition and sentiment, which resulted in higher sales and profit for the segment, both locally and overseas.

The quarry segment recorded revenue of RM50.3 million and profit before tax of RM2.5 million in the current quarter compared to revenue of RM54.0 million and profit before tax of RM6.7 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 6.9% and profit before tax of 63.2%. Revenue in the current quarter was lower mainly due to lower sales volume for aggregates and premix. Performance was also impacted by temporary halt in operations at one of its sites due to closure of the access road.

The other segments recorded revenue of RM172.2 million and profit before tax of RM53.5 million in the current quarter compared to revenue of RM151.4 million and profit before tax of RM54.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 13.7% and a decrease in profit before tax of 1.3%. The higher revenue in the current quarter was mainly due to higher contribution from the healthcare and building materials segments, while profit before tax was flat compared with the corresponding quarter of the previous financial year, which had write back of some provisions.

For the 9 months period

The Group recorded revenue of RM3,651.9 million and profit before tax of RM621.3 million for the current 9 months period ended 30 September 2017 compared to revenue of RM3,362.2 million and profit before tax of RM588.4 million for the corresponding 9 months period ended 30 September 2016, representing an increase in revenue of 8.6% and profit before tax of 5.6%. Performance in the current period was higher due to higher contribution from most business segments, particularly the property investment, construction and trading and manufacturing segments.

The property development segment reported revenue of RM576.6 million and profit before tax of RM135.7 million for the current 9 months period ended 30 September 2017 compared to revenue of RM796.7 million and profit before tax of RM191.9 million for the corresponding 9 months period ended 30 September 2016, representing a decrease in revenue of 27.6% and profit before tax of 29.3%. The performance for the current period was lower mainly due to lower sales and progress billings from local development projects.

The property investment segment reported revenue of RM619.7 million and profit before tax of RM165.6 million for the current 9 months period ended 30 September 2017 compared to revenue of RM519.2 million and profit before tax of RM120.7 million for the corresponding 9 months period ended 30 September 2016, representing an increase in revenue of 19.4% and profit before tax of 37.2%. Revenue was higher in the current period mainly due to the additional contribution from Sunway Velocity Mall (which opened in December 2016), the Group's theme parks and the re-opening of the refurbished Sunway Pyramid Hotel, as mentioned above. Profit before tax in the current period was boosted by the share of higher fair value gains from revaluation of Sunway REIT properties in the current period of RM56.8 million compared to RM23.7 million in the corresponding period.

The construction segment reported revenue of RM1,044.4 million and profit before tax of RM120.3 million for the current 9 months period ended 30 September 2017 compared to revenue of RM848.7 million and profit before tax of RM104.4 million for the corresponding 9 months period ended 30 September 2016, representing an increase in revenue of 23.1% and profit before tax of 15.2%. Performance of this segment in the current period was better due to stronger progress billings and lower intra-group eliminations.

The trading and manufacturing segment reported revenue of RM764.1 million and profit before tax of RM33.3 million for the current 9 months period ended 30 September 2017 compared to revenue of RM618.2 million and profit before tax of RM19.3 million for the corresponding 9 months period ended 30 September 2016, representing an increase in revenue of 23.6% and profit before tax of 72.5%. Improvements in the overall market condition and sentiment resulted in higher sales and profit for the segment, both locally and overseas.

The quarry segment reported revenue of RM149.2 million and profit before tax of RM6.7 million for the current 9 months period ended 30 September 2017 compared to revenue of RM153.3 million and profit before tax of RM24.2 million for the corresponding 9 months period ended 30 September 2016, representing a decrease in revenue of 2.7% and profit before tax of 72.5%. Revenue in the current period was marginally lower due to lower sales volume for aggregates and premix, and a slightly lower selling price for aggregates. Profit before tax was lower in the current period mainly due to lower operating margin and higher depreciation expense for additional fixed assets at some of the Group's new sites.

The other segments reported revenue of RM497.9 million and profit before tax of RM159.7 million for the current 9 months period ended 30 September 2017 compared to revenue of RM426.1 million and profit before tax of RM127.9 million for the corresponding 9 months period ended 30 September 2016, representing an increase in revenue of 16.9% and profit before tax of 24.9%. The improved performance in the current period was mainly due to higher contribution from the healthcare and building materials segments and Group treasury operations.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM1,319.6 million and profit before tax of RM196.7 million for the current quarter compared to revenue of RM1,241.0 million and profit before tax of RM271.4 million in the preceding quarter, representing an increase in revenue of 6.3% and a decrease in profit before tax of 27.5%. The higher revenue in the current quarter was mainly contributed by all segments, except the property development and quarry segments. Profit before tax was lower in the current quarter, however, mainly due to lower contributions from the property development segment, and the share of fair value gains from Sunway REIT of RM56.8 million which was recorded in the preceding quarter.

The property development segment recorded revenue of RM162.2 million and profit before tax of RM35.5 million in the current quarter compared to revenue of RM271.1 million and profit before tax of RM75.2 million in the preceding quarter, representing a decrease in revenue of 40.2% and profit before tax of 52.9%. The lower performance in the current quarter was mainly due to lower sales and lower progress billings for the local development projects.

The property investment segment recorded revenue of RM225.4 million and profit before tax of RM50.0 million in the current quarter compared to revenue of RM207.4 million and profit before tax of RM84.4 million in the preceding quarter, representing an increase in revenue of 8.7% and a decrease in profit before tax of 40.8%. Revenue was higher in the current quarter due to higher occupancy and higher visitorship to the Group's portfolio of investment properties. Profit before tax was lower, however, as profit in the preceding quarter was boosted by share of fair value gains from revaluation of Sunway REIT properties of RM56.8 million.

The construction segment recorded revenue of RM416.6 million and profit before tax of RM41.0 million in the current quarter compared to revenue of RM310.9 million and profit before tax of RM42.3 million in the preceding quarter, representing an increase in revenue of 34.0% and a decrease in profit before tax of 3.0%. Revenue was higher in the current quarter mainly due to higher revenue recognition for local construction projects and lower intra-group elimination. However, current profit before tax was not higher than the preceding quarter, as the higher revenue did not translate to higher profit recognition.

The trading and manufacturing segment recorded revenue of RM292.9 million and profit before tax of RM14.2 million in the current quarter compared to revenue of RM226.0 million and profit before tax of RM10.3 million in the preceding quarter, representing an increase in revenue of 29.6% and profit before tax of 37.2%. Revenue in the current quarter was higher due to higher sales both locally and overseas. Profit before tax was also higher in line with the higher revenue.

The quarry segment recorded revenue of RM50.3 million and profit before tax of RM2.5 million in the current quarter compared to revenue of RM58.7 million and profit before tax of RM3.7 million in the preceding quarter, representing a decrease in revenue of 14.3% and profit before tax of 33.2%. The weaker performance in the current quarter was mainly due to a drop in the sales of aggregates and premix, and a drop in the selling price for premix.

The other segments recorded revenue of RM172.2 million and profit before tax of RM53.5 million in the current quarter compared to revenue of RM166.9 million and profit before tax of RM55.5 million in the preceding quarter, representing an increase in revenue of 3.2% and a decrease in profit before tax of 3.4%. The performance of the other segments in the current quarter was generally in line with the preceding quarter.

B3 Prospects

Malaysia's real GDP growth rate of 6.2% recorded in the third quarter of this year was above market expectation. The continued strong growth was underpinned by domestic investment and consumption, and healthy export growth. It is expected that such favourable performance will continue into the next quarter.

In the recent 2018 Budget, the government, besides reaffirming its commitment to roll-out infrastructure projects such as the MRT Line 3 and the High Speed Rail (HSR) to Singapore, has also announced plans and various incentives to promote the tourism and healthcare tourism industries. Such developments augur well for the Group given its strong presence in these sectors.

While the property sector is still consolidating, the general market outlook of the other business segments within the Group is positive. Barring any unforeseen circumstances, the Group is expected to continue to deliver satisfactory performance in the last quarter of 2017.

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 joint ventures as the share of profit is recognised on an after tax basis.

	Current Quarter Ended 30/9/2017 RM'000	Cumulative Year To Date 30/9/2017 RM'000
Current taxation	(26,836)	(96,523)
Deferred taxation	(2,124)	2,066
	<u>(28,960)</u>	<u>(94,457)</u>

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 30/9/2017 RM'000	Cumulative Year To Date 30/9/2017 RM'000
Depreciation and amortisation	(35,991)	(103,818)
Net reversal/(provision) of impairment for:		
- Trade receivables	(3,844)	(3,000)
- Inventories	(864)	(1,779)
Write off:		
- Trade receivables	-	(2,849)
- Property, plant and equipment	(404)	(708)
Net gain on disposal of:		
- property, plant and equipment	1,127	2,274
Net foreign exchange gain/(loss):		
- Others	583	1,762
- Unrealised for hedged items	32,919	107,956
Cash flow hedge reserve recycled to profit or loss	(32,919)	(107,956)

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:

B7.1 Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. (formerly known as Sunway Dimension Stones Sdn. Bhd.), View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.

Sunway Subang Sdn. Bhd. (%W/Co+), a wholly-owned subsidiary of Sunway City Sdn. Bhd. (%SunCity+), which in turn is a wholly-owned subsidiary of the Company, had on 19 February 2016, entered into the following Sale and Purchase Agreements (%SPAs+) for the acquisition of the undermentioned parcels of leasehold land (60 years tenure) free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax) (%Proposed Property Acquisition+):

Vendors	Details of the lands	Purchase Consideration RM'000
Sunway Serene Sdn. Bhd. (formerly known as Sunway Dimension Stones Sdn. Bhd.) ("SSSB")	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres (%RT 7+)	12,500
View2pick Sdn. Bhd. (%V2P+)	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares (%RT 8+)	9,000
Chen Yew Plastics Sdn. Bhd. (%CYP+)	Hakmilik H.S.(M) 6476, PT 2049 in Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor measuring approximately 2 acres together with buildings erected thereon (%RT 2049+)	11,225
TOTAL		32,725

PT 7, PT 8 and PT 2049 shall collectively be referred to as %the Lands+.

SunCity had on even date, entered into a Shareholders Agreement (%SA+) with V2P for the purpose of establishing a joint venture via the JVCo to develop industrial properties on the Lands (%Development+) as well as to regulate the relationship between SunCity and V2P with respect to the joint venture (%Proposed Joint Venture+).

Salient terms of the SPAs include, inter-alia, the following:

Pursuant to the SPAs, the JVCo would acquire the Lands from SSSB, V2P and CYP free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax).

The SPA for PT 2049 is conditional upon, amongst others, CYP having obtained the State Authority's approval whether unconditionally or subject to conditions acceptable to the JVCo and the discharge of the charge over PT 2049.

B7.1 Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd. (formerly known as Sunway Dimension Stones Sdn. Bhd.), View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)

The SPAs for PT 7 and PT 8 shall become unconditional when the following conditions have been fulfilled:

- (a) SSSB and CYP having obtained the State Authority's approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- (b) the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- (c) SSSB and V2P having obtained the State Authority's approval in accordance with the relevant provisions of the National Land Code in respect of the application for (i) amalgamation or (ii) surrender and re-alienation of PT 7, PT 8 and PT 2049 into one single issue document of title with a leasehold period of 99 years commencing from the date of issuance of the relevant new issue document of title; and
- (d) V2P having procured the registration of the discharge of the charge created over PT 8.

The completion of the acquisition of PT 7 and PT 8 are inter-conditional with one another while PT 2049 would be acquired independent of the acquisition of PT 7 and PT 8.

Salient terms of the SA include, inter-alia, the following:

- (a) Under the Proposed Joint Venture, SunCity and V2P shall subscribe for the following ordinary shares of RM1 each for cash in the share capital of the JVCo:

Shareholders	Number of shares	Shareholding Ratio
SunCity	79,000	80% *
V2P	20,000	20%

** Included 1,000 ordinary shares currently held by SunCity in the JVCo.*

- (b) SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.
- (c) SunCity shall nominate the Chairman of the Board.
- (d) The JVCo to enter into a management agreement with Sunway Integrated Properties Sdn. Bhd., a wholly-owned subsidiary of SunCity to undertake the tasks stipulated in the SA at a management fee equivalent to 1% of gross development value (%GDV+) of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- (a) Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- (b) Approval of the relevant authorities granted to the JVCo for the amalgamation or surrender and re-alienation of the Lands and the extension of the leasehold period of the Lands to 99 years.

The Proposed Property Acquisition of PT2049 and the Proposed Joint Venture were completed on 29 June 2016 and 24 May 2017 respectively. The remainder of the Proposed Property Acquisition has not been completed as at the date of this report.

B7.2 Sale and Purchase Agreement between Sunway Innopark Sdn. Bhd. (formerly known as (Sun-Block Batang Kali) Sdn. Bhd.), LGT Sdn. Bhd., Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim (Nee Lee) Kim Hua, Yarraville Sdn. Bhd., Dandenong Sdn. Bhd. and Ripponlea Sdn. Bhd.

On 13 July 2017, Sunway Innopark Sdn Bhd (formerly known as Sun-Block (Batang Kali) Sdn Bhd) (%Purchaser+), a wholly-owned subsidiary of Sunway City Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement (%SPA+) with LGT Sdn Bhd (%the Registered Owner+) and Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim (Nee Lee) Kim Hua, Yarraville Sdn Bhd (%Yarraville+), Dandenong Sdn Bhd (%Dandenong+) and Ripponlea Sdn Bhd (%Ripponlea+) (collectively %the Beneficial Owners+) for the acquisition of a freehold land held under Geran No.78658, Lot No. 20010, Seksyen 69 Bandar Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 18,332 square meters (%the Land+) free from encumbrances on an as is where is basis for a total purchase consideration of RM165,000,000 (excluding Goods and Services Tax) (%Purchase Price+).

B7.2 Sale and Purchase Agreement between Sunway Innopark Sdn. Bhd. (formerly known as Sun-Block (Batang Kali) Sdn. Bhd.), LGT Sdn. Bhd., Tan Sri Lim Kok Thay, Puan Sri Datin Seri Lim (Nee Lee) Kim Hua, Yarraville Sdn. Bhd., Dandenong Sdn. Bhd. and Ripponlea Sdn. Bhd. (contd.)

The Purchase Price shall be satisfied by the Purchaser in the following manner:

- (a) An earnest deposit of RM3,300,000 already paid to the Registered Owner prior to the execution of the SPA and balance deposit of RM13,200,000 paid to the Registered Owner upon execution of the SPA; and
- (b) The balance Purchase Price of RM148,500,000 shall be paid to the Vendor's solicitors within 3 months from the date of the SPA (the last day of which shall hereinafter referred to as the Completion Date). If the Purchaser fails to pay the balance Purchase Price or any remaining part thereof on or before the Completion Date, an extension period of 1 month shall be granted subject to the Purchaser paying an interest at the prevailing base lending rate of Malayan Banking Berhad per annum on the outstanding amount, calculated on a daily basis.

The proposed development on the Land (Proposed Development) will comprise mainly serviced apartments with some lifestyle retail units. The estimated gross development value of the Proposed Development is RM1.1 billion, comprising RM1.05 billion of serviced apartments and RM50 million of retail units. The entire development is expected to be developed within a 5-year development period.

The Proposed Land Acquisition will add 4.53 acres of freehold prime land in Kuala Lumpur to Sunway's land bank, providing further visibility to the future earnings of the Group. The Land is strategically located in Kuala Lumpur city center and within 3 km from landmarks like the Bukit Bintang shopping belt, KL Sentral transport hub and Perdana Botanical Gardens.

The Land will be acquired with approvals obtained for a mixed-use development with a plot ratio of 8.81 times. While amendments will be made to the approvals obtained to modify the product mix, the Group believes this development will be ready for launch by second half of 2018. The ability to launch this project quickly will improve the internal rate of return of the Proposed Development.

The SPA has been completed as at the date of this report.

B7.3 Proposed bonus issue of shares and proposed bonus issue of warrants of the Company

On 14 June 2017, the Company proposes to undertake the following:

- (i) Proposed bonus issue of up to 2,804,471,128 new ordinary shares in Sunway (Sunway Shares+ or Shares+) (Bonus Shares+) on the basis of four (4) Bonus Shares for every three (3) existing Sunway Shares held on an entitlement date to be determined later (Entitlement Date+) (Proposed Bonus Issue of Shares+); and
- (ii) Proposed bonus issue of up to 631,006,003 free warrants in Sunway (Warrants+) on the basis of three (3) Warrants for every ten (10) existing Sunway Shares held on the same Entitlement Date as the Proposed Bonus Issue of Shares (Proposed Bonus Issue of Warrants+).

(Collectively referred to as the "Proposals")

On 24 July 2017, Bursa Securities had, vide its letter dated 24 July 2017, resolved to approve the following:

- (a) Listing of up to 2,804,471,128 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- (b) Admission to the Official List and the listing and quotation of up to 631,006,003 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
- (c) Listing of up to 631,006,003 new Sunway Shares to be issued pursuant to the exercise of the Warrants.

The approval of Bursa Securities for the Proposals is subject to conditions set out in its letter.

On 7 September 2017, the Board has determined and fixed the exercise price for the Warrants at RM1.86 per Warrant. The exercise price of RM1.86 per Warrant is at parity to the TEBP of Sunway Shares computed based on RM4.3411 per Sunway Share being the five (5)-day VWAMP of Sunway Shares up to and including 6 September 2017 (i.e. the last trading day immediately prior to the price-fixing date).

The exercise price of RM1.86 per Warrant will be effective for a period of one year from the date of issuance of the Warrants. Subsequently, the exercise price is subject to a fixed annual step-down of RM0.07 on each of the anniversary dates from the date of first issuance of the Warrants. The exercise price, at any time during the tenure of the Warrants, is further subject to adjustments in accordance with the provisions of the Deed Poll in the event of any alteration to the share capital of the Company.

2,799,885,894 new ordinary shares in the Company and 629,970,466 Warrants were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 6 October 2017.

The Proposals have been completed as at the date of this report.

B7.4 Proposed acquisition of land by Sunway Supply Chain Enterprise Sdn. Bhd.

On 31 July 2017, Sunway Supply Chain Enterprise Sdn Bhd (~~SSCE~~), a wholly-owned subsidiary of Sunway Holdings Sdn Bhd which in turn is a wholly-owned subsidiary of the Company, entered into an agreement (~~Agreement~~) with Premier Place Property Sdn Bhd (~~PPP~~), a wholly-owned subsidiary of JAKS Resources Berhad whereby PPP and SSCE or its related corporation agree to execute a sale and purchase agreement (~~SPA~~) within 21 days from the date of the Agreement or such extended time period as the parties shall mutually agree in writing to acquire the following 4 parcels of freehold land totaling 5.988 hectares or 644,575.24 square feet for a total purchase consideration of RM167,589,760 (excluding Goods and Services Tax) (~~Proposed Land Acquisition~~):

- (i) Geran Mukim 85 Lot 526, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet (~~Land 1~~);
 - (ii) Geran Mukim 84 Lot 527, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet (~~Land 2~~);
 - (iii) Geran Mukim 83 Lot 528, Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 1.214 hectares or 130,673.87 square feet (~~Land 3~~); and
 - (iv) Geran Mukim 319 Lot 62506 Tempat Sungei Penaga, Pekan Subang Jaya, Daerah Petaling, Negeri Selangor measuring approximately 2.346 hectares or 252,553.63 square feet (~~Land 4~~).
- (Land 1, Land 2, Land 3 and Land 4 shall collectively be referred as "the Lands")

The SPA shall be conditional upon PPP obtaining the approval of the shareholders of JAKS Resources Berhad in a general meeting for the disposal of the Lands by PPP to SSCE within 4 months from the date of the SPA or such extended time period as the parties thereto shall mutually agree in writing. The SPA shall become unconditional upon the fulfilment of this condition precedent and receipt of a written notification of the same by SSCE (~~Unconditional Date~~).

SSCE had on 17 August 2017 signed the SPA for the Proposed Land Acquisition.

The Proposed Land Acquisition has not been completed as at the date of this report.

B7.5 Acquisition of land and buildings by Daksina Harta Sdn. Bhd. from Concept Housing Development (M) Sdn. Bhd., a related party.

On 1 August 2017, Daksina Harta Sdn Bhd (~~Purchaser~~), a subsidiary of the Company, entered into a Sale and Purchase Agreement (~~SPA~~) with Concept Housing Development (M) Sdn Bhd (~~Vendor~~) for the acquisition of a freehold land held under Geran No. 47813, Lot No. 1, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor measuring approximately 24,281.1 square metres (before taking into account/deducting the portion of the land that was compulsorily acquired by the relevant authority measuring 2,928 square metres) (~~the Land~~) together with a partially completed commercial complex comprising a 3-storey podium (3 units of office space) including 1 unit of Tenaga Nasional Berhad substation, a 20-storey office Block A (17 units of office space), a 12-storey office Block B (9 units of office space) and a 10-storey car park (~~the Buildings~~) free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) (~~Proposed Property Acquisition~~). The Land and the Buildings shall be collectively be referred to as "the Property"

Pursuant to the SPA, the Purchaser will acquire the Property from the Vendor free from encumbrances and with vacant possession for a total purchase consideration of RM63,000,000 (excluding Goods and Services Tax) (~~Purchase Price~~).

The Purchase Price shall be satisfied by the Purchaser in the following manner:

- (a) A deposit of RM6,300,000 paid to the Vendor's solicitors as stakeholder upon execution of the SPA which shall be refunded to the Purchaser interest free in the event the condition precedents are not met; and
- (b) The balance Purchase Price of RM56,700,000 shall be paid to the Vendor's solicitors as stakeholder within 3 months from the date of fulfillment of the conditions precedent (~~Completion Date~~). If the Purchaser fails to pay the balance Purchase Price or any remaining part thereof on or before the Completion Date, an extension period of 1 month shall be granted subject to the Purchaser paying interest of 5% per annum on the outstanding amount.

The Company had on 10 August 2017 evening received a letter from the solicitors for Steelwell Development Sdn. Bhd. ("Steelwell") claiming that Steelwell's consent is required for the sale of the Property by the Vendor as there was a settlement agreement between the Vendor and Steelwell, and that the Purchaser is not to take any further action under the SPA until settlement between the Vendor and Steelwell with regards to the Property.

The Company is currently seeking legal advice in relation to its rights under the SPA.

The Proposed Property Acquisition has not been completed as at the date of this report.

B7.6 Proposed disposal of the Sunway Clio property by Sunway Forum Hotel Sdn. Bhd., proposed lease by Sunway Resort Hotel Sdn. Bhd. of the hotel property for an initial term of 10 years and proposed tenancy by Sunway Leisure Sdn. Bhd. of the multi-storey car park in the Sunway Clio property (collectively referred to as "Proposals")

On 3 August 2017, RHB Investment Bank Berhad announced on behalf of the Group that the following agreements have been entered into:

- (i) A conditional sale and purchase agreement entered into between Sunway Forum Hotel Sdn. Bhd. (a wholly-owned subsidiary of Sunway) ("Vendor") and RHB Trustees Berhad (as the trustee of Sunway Real Estate Investment Trust (Sunway REIT) (Trustee)), for the proposed disposal by the Vendor to the Trustee of a parcel of leasehold land under H.S. (D) 259881, Lot No. PT 1333, Bandar Sunway, District of Petaling, Selangor Darul Ehsan together with a 27-storey building with a lower ground floor (and all services infrastructure, fixtures and fittings affixed or located or used in the property) comprising:
- (a) a 19-storey 4-star rated hotel with 401 hotel rooms and facilities including a swimming pool, an exercise area, a dining area and meeting rooms known as Sunway Clio Hotel ("Hotel Property");
 - (b) 3-storey (including 1 storey at lower ground floor) retail lots known as Sunway Pyramid West ("Retail Space"); and
 - (c) a 6-storey podium car park ("Podium Car Park") and 4-storey basement car park (collectively "Multi-storey Car Park") (collectively, the Sunway Clio Property).

for a cash consideration of RM340 million (SPA);

- (ii) A conditional hotel lease agreement entered into between Sunway Resort Hotel Sdn. Bhd. (a wholly-owned subsidiary of Sunway) ("Lessee"), the Trustee ("Lessor") and Sunway REIT Management Sdn. Bhd. (as the manager of Sunway REIT), for the lease of the Hotel Property for an initial term of 10 years commencing from the day immediately after the completion of the SPA (Completion Date) with an option to renew for a further term of 10 years; and
- (iii) A conditional car park tenancy agreement entered into between Sunway Leisure Sdn. Bhd. (a wholly-owned subsidiary of Sunway) ("Tenant") and the Trustee ("Landlord"), for the tenancy of the Multi-storey Car Park for a period of 3 years commencing from the day immediately after the Completion Date with an option to renew for a further term of 3 years.

The Proposals have not been completed as at the date of this report.

B7.7 Settlement Agreement between Sunway Holdings Sdn. Bhd. ("SunHoldings") (a wholly owned subsidiary of the Company) and Lim Poh Lo, Lau Ghor Geok, Lim Hwee Guan, Khoo Chai Ee, Khoo Chai Pek and Peng Gai Hock (collectively "Original Shareholders")

On 11 August 2017, the Group entered into a Settlement Agreement in relation to the Share Sale Agreement dated 9 April 2015 ("SSA") (as amended by the Supplemental Agreement dated 30 June 2015 and Second Supplemental Agreement dated 15 January 2016) with the Original Shareholders whereby the parties agree, amongst others, to the following:-

- (a) the parties shall release each other from performing the second and third tranche of sale and purchase of ordinary shares in PND Hardware & Trading Pte. Ltd. ("PND") under the SSA;
- (b) SunHoldings agrees to sell the first tranche of 300,000 ordinary shares in PND (Sale Shares) to the Original Shareholders at the same price which it had paid to the Original Shareholders under the SSA (i.e. S\$1,540,315.20);
- (c) the sale and purchase of the Sale Shares is conditional upon the completion of the sale of the land held under Lot 1666 of Mukim 7 together with a factory building within such lot and known as 13 Gul Link, Singapore 629383 (Excluded Asset) by PND to ELIM Pte Ltd for a cash consideration of S\$3,000,000 pursuant to the terms and conditions of the Option to Purchase dated 24 March 2017;
- (d) the sale and purchase of the Sale Shares shall complete within 30 days from the completion of the sale and purchase of the Excluded Asset; and
- (e) Upon the completion of the sale and purchase of the Sale Shares and payments made by the Original Shareholders, the SSA shall be terminated and the parties shall not have any further rights and remedies under the SSA.

The Settlement Agreement was completed as at the date of this report and PND ceased to be a subsidiary of SunHoldings on 11 October 2017.

B7.8 Subscription and shareholders' agreement between Sunglobal Resources Sdn. Bhd. ("Sunglobal"), Sunway City Sdn. Bhd. ("Suncity") and Huatland Sdn. Bhd. ("Huatland"), and proposed acquisition of land by Sunglobal.

On 16 August 2017, Suncity, which is a wholly-owned subsidiary of the Company, has entered into a Subscription and Shareholders Agreement (the "SSA") with Huatland and Sunglobal, a wholly-owned subsidiary of Suncity, for the purpose of establishing a joint venture via Sunglobal to jointly carry out and undertake a proposed mixed development project on a freehold land held under No. Hakmilik H.S.(M) 73476, Lot 30353 in Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 17,578 square meters (the "Land") as well as to regulate the relationship between Suncity and Huatland as the shareholders of the Sunglobal (the "Proposed Joint Venture").

Sunglobal has also on even date, entered into a Sale and Purchase Agreement (the "SPA") with Setapak Heights Development Sdn Bhd (the "Vendor") for the acquisition of the Land free from encumbrances and with vacant possession for a total purchase consideration of RM51,070,000 (excluding Goods and Services Tax) (the "Proposed Land Acquisition").

The salient terms of the SSA are as follows:

- (a) Under the Proposed Joint Venture, SCSB and Huatland shall subscribe for the following shares for cash in the share capital of the JVCo:

Shareholders	Number of Ordinary Shares	Number of Redeemable Preference Shares	Shareholding Ratio
SCSB	*275,000	8,151,550	55%
Huatland	225,000	6,669,450	45%
Total	500,000	14,821,000	100%

* Include 1 ordinary share currently held by SCSB in the JVCo.

- (b) SCSB and Huatland shall be entitled to nominate and appoint 3 directors and 2 directors respectively in the JVCo.
(c) SCSB shall nominate the Chairman of the Board.

The completion of the sale and purchase of the Land shall be conditional upon the following conditions precedent (the "Conditions Precedent") being fulfilled or obtained or waived by mutual agreement of the parties by 3 months from the date of the SPA or such extended date as the parties may mutually agree:

- (a) The Vendor having obtained a revised development order or development approval in its name with an approved plot ratio of not less than 5.0 times and the Vendor having provided the documentary evidence that all premium and development charges in respect of such revised development order or development approval have been fully settled; and
(b) The Vendor and the Sunglobal having successfully registered with the Royal Malaysian Customs Department as a Goods and Services Tax registrant.

The Purchase Price shall be satisfied by Sunglobal on or before the completion date to the Vendor's solicitors as stakeholders i.e. 1 month after the Conditions Precedent have been fulfilled or obtained or waived, or such other extended date as the parties may mutually agree

The SSA has not been completed as at the date of this report.

B7.9 Share sale agreement ("SSA") between Sunway Lagoon Sdn. Bhd. ("SLSB") and Kuwait Finance House (Malaysia) Berhad ("KFH")

On 10 October 2017, SLSB, a subsidiary of the Company, entered into an SSA with KFH where SLSB agrees to acquire 50,000 ordinary shares held by KFH in Sunway South Quay Sdn Bhd (the "SSQ"), representing 20% of the share capital of SSQ, at a purchase consideration of RM136,649,000 and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by KFH in SSQ (the "Proposed Acquisition").

Pursuant to the SSA, SLSB will acquire 50,000 ordinary shares from KFH, representing 20% equity interest in SSQ on an "as is where is" basis free from all encumbrances at a total consideration of RM136,649,000 (the "Purchase Consideration") and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by KFH in SSQ.

SLSB shall pay KFH in the following manner:

- (a) upon execution of the SSA, SLSB shall pay RM27,329,800 as part payment of the Purchase Consideration and RM14,670,200 towards part settlement of the Musyarakah Capital; and
(b) on 15 December 2017 or such other date as may be agreed upon between the parties, SLSB will pay RM109,319,200 towards settlement of the balance of the Purchase Consideration and RM58,680,800 towards settlement of the balance Musyarakah Capital.

The SSA has not been completed as at the date of this report.

B7.10 Share sale agreement ("SSA") between Sunway Lagoon Sdn. Bhd. ("SLSB") and Employees Provident Fund Board ("EPF")

On 24 October 2017, SLSB, a subsidiary of the Company, had on 24 October 2017 entered into an SSA with EPF where SLSB agrees to acquire 50,000 ordinary shares held by EPF in Sunway South Quay Sdn Bhd (SSQ), representing 20% of the share capital of SSQ, at a purchase consideration of RM136,649,000 and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by EPF in SSQ (Proposed Acquisition).

Pursuant to the SSA, SLSB will acquire 50,000 ordinary shares from EPF, representing 20% equity interest in SSQ on an as is where is basis free from all encumbrances at a total consideration of RM136,649,000 (Purchase Consideration) and repay on behalf of SSQ, a sum of RM73,351,000 in cash towards the settlement of the Musyarakah Capital invested by EPF in SSQ.

SLSB shall pay EPF in the following manner:

- (a) upon execution of the SSA, SLSB shall pay RM27,329,800 as part payment of the Purchase Consideration and RM14,670,200 towards part settlement of the Musyarakah Capital; and
- (b) on 15 December 2017 or such other date as may be agreed upon between the parties, SLSB will pay RM109,319,200 towards settlement of the balance of the Purchase Consideration and RM58,680,800 towards settlement of the balance Musyarakah Capital.

Upon completion of the SSA and KFH SSA, SSQ will become a wholly-owned subsidiary of SLSB.

The SSA has not been completed as at the date of this report.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2017 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	567,088	445,000	1,012,088
<u>Conventional:</u>			
Bank overdrafts	121,752	-	121,752
Term loan	1,524,723	1,072,584	2,597,307
Revolving credits	50,000	-	50,000
Medium term notes	-	480,000	480,000
Bankers' acceptances	33,226	-	33,226
Hire purchase and lease liabilities	944	442	1,386
	1,730,645	1,553,026	3,283,671
Total secured borrowings	2,297,733	1,998,026	4,295,759
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	680,000	680,000
Revolving credits	80,000	-	80,000
Commercial papers	1,195,000	-	1,195,000
	1,275,000	680,000	1,955,000
<u>Conventional:</u>			
Term loan	2,180	-	2,180
Medium term notes	150,000	610,000	760,000
Bankers' acceptances	144,770	-	144,770
Commercial papers	910,000	-	910,000
Bills discounting	145,532	-	145,532
	1,352,482	610,000	1,962,482
Total unsecured borrowings	2,627,482	1,290,000	3,917,482
Total borrowings	4,925,215	3,288,026	8,213,241
Islamic borrowings	1,842,088	1,125,000	2,967,088
Conventional borrowings	3,083,127	2,163,026	5,246,153
Total borrowings	4,925,215	3,288,026	8,213,241

Included in the Group borrowings as at 30 September 2017 are amounts denominated in foreign currency as follows:

Secured	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
US Dollar (USD'000) *					
- Term loan	438,000	-	1,883,838	-	1,883,838
Singapore Dollar (SGD'000) #					
- Term loan	-	90,000	-	281,232	281,232
Chinese Renminbi (RMB'000) **					
- Term loan	12,882	-	8,171	-	8,171
Indonesian Rupiah (Rp'000) **					
- Term loan	3,972,762	-	1,283	-	1,283
Australia Dollar (AUD'000) **					
- Term loan	315	-	1,044	-	1,044
			1,894,336	281,232	2,175,568

The Group borrowings as at 30 September 2016 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	259,470	305,411	564,881
<u>Conventional:</u>			
Bank overdrafts	82,810	-	82,810
Term loan	1,466,013	1,325,976	2,791,989
Revolving credits	457,955	-	457,955
Bankers' acceptances	7,403	-	7,403
Medium term notes	-	232,484	232,484
Hire purchase	1,707	1,630	3,337
	2,015,888	1,560,090	3,575,978
Total secured borrowings	2,275,358	1,865,501	4,140,859
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	270,000	270,000
Commercial paper	1,305,000	-	1,305,000
	1,305,000	270,000	1,575,000
<u>Conventional:</u>			
Bank overdrafts	4,645	-	4,645
Term loan	4,134	-	4,134
Medium term notes	-	250,000	250,000
Commercial paper	903,000	-	903,000
Bills discounting	71,718	-	71,718
Bankers' acceptances	115,033	-	115,033
	1,098,530	250,000	1,348,530
Total unsecured borrowings	2,403,530	520,000	2,923,530
Total borrowings	4,678,888	2,385,501	7,064,389
Islamic borrowings	1,564,470	575,411	2,139,881
Conventional borrowings	3,114,418	1,810,090	4,924,508
Total borrowings	4,678,888	2,385,501	7,064,389

Included in the Group borrowings as at 30 September 2016 are amounts denominated in foreign currency as follows:

Secured	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
US Dollar (USD'000) *					
- Term loan	374,000	252,000	1,546,116	1,041,768	2,587,884
Singapore Dollar (SGD'000) #					
- Term loan	-	91,064	-	276,598	276,598
- Hire purchase	119	-	362	-	362
Chinese Renminbi (RMB'000) **					
- Revolving credit	74,000	-	46,021	-	46,021
Australia Dollar (AUD'000) **					
- Bankers' acceptances	454	-	1,429	-	1,429
			1,593,928	1,318,366	2,912,293

Notes:

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

** Borrowings obtained by overseas subsidiaries.

Borrowings partially obtained by overseas subsidiaries. Those obtained by local subsidiaries have entered into cross currency swap contracts.

Overall, the total borrowing of the Group has increased by RM1.15 billion, from RM7.06 billion as at 30 September 2016 to RM8.21 billion as at 30 September 2017.

The increase in Group's borrowing is mainly to fund the development cost of its on-going projects in Sunway Velocity, Sunway Iskandar, Sunway Serene and expansion cost in Sunway Medical Centre.

The weighted average interest rate of borrowings as at 30 September 2017 is 4.08%. The Group has entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. Taking into consideration the interest rate swap, 38% of the total borrowing are fixed rate instruments, whereas 62% are floating rate instruments.

Out of the total borrowings of RM8.21 billion, RM2.17 billion (Current: RM1.89 billion ; Non-current: RM0.28 billion) are denominated in foreign currencies. The group entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings, which was entered into for minimising the interest cost. The average exchange rate entered for USD borrowings is 3.825 and SGD borrowings is 2.573.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 September 2017 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) for the period RM'000	Cash Flow Hedge Reserve RM'000
Commodity futures				
- Less than 1 year	-	379	-	
Interest rate swap contracts				
- Less than 1 year *	916,130	(869)	-	
Foreign currency forward contracts				
- Less than 1 year	66,750	3,285	-	866
- 1 year to 3 years	33,092	300	(17)	-
Cross currency swap contracts #				
- Less than 1 year	1,457,553	146,588		(3,454)
- 1 year to 5 years	194,258	35,718		(649)
Total derivatives		185,401	(17)	(3,237)

* Includes a contract which has expired during the period.

Include contracts which have not been drawn down during the period.

Commodity futures

The commodity futures were entered into with the objective of managing and hedging the Company's exposure to adverse price movements in commodities. The fair values of this component have been determined based on published market prices or prices quoted from reputable financial institutions.

The above derivative is initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in profit or loss.

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.

Cash flow hedge accounting could not be applied where the hedge instruments were entered into prior to the loan drawdown. Changes in fair value of these hedge instruments are therefore recognised in the income statement.

B11 Ageing Analysis of Trade Receivables

The aging analysis of the Group's trade receivables are as follows:

	30/9/2017 RM'000	31/12/2016 RM'000
Neither past due nor impaired	1,447,477	1,335,895
1 to 30 days past due not impaired	81,024	95,380
31 to 60 days past due not impaired	49,939	56,627
61 to 90 days past due not impaired	36,435	28,793
91 to 120 days past due not impaired	30,414	20,701
More than 120 days past due not impaired	58,519	43,982
	256,331	245,483
Impaired	85,341	61,900
Total trade receivables	1,789,149	1,643,278
Less: Allowance for impairment	(85,341)	(61,900)
Net trade receivables	1,703,808	1,581,378
Other receivables	550,257	359,892
Amounts due from associates	39,164	39,194
Amounts due from joint ventures	691,814	780,559
Total receivables	2,985,043	2,761,023
Non-current receivables	45,058	49,760
Current receivables	2,939,985	2,711,263
Total receivables	2,985,043	2,761,023

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 RM59 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 RM52 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:

	30/9/2017 RM'000	31/12/2016 RM'000
Total retained profit of the Group:-		
Realised	3,724,215	3,521,707
Unrealised	856,553	853,333
Total share of retained profits from associated companies:		
Realised	7,251	3,167
Unrealised	249,058	192,274
Total share of retained profits from joint ventures:		
Realised	175,004	145,292
Unrealised	(18,310)	(18,075)
Less: Consolidation adjustments	(1,530,825)	(1,536,784)
Total Group's retained profits as per consolidated accounts	<u>3,462,946</u>	<u>3,160,914</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.

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 2017.

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 30/9/2017 RM'000	Cumulative Year To Date 30/9/2017 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	150,854	455,709
Weighted Average Number of Ordinary Shares	2,044,061	2,050,064
Earnings per share (Basic) (sen)	7.38	22.23
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	150,854	455,709
Weighted Average Number of Ordinary Shares	2,076,547	2,087,636
Earnings per share (Diluted) (sen)	7.26	21.83

By Order of the Board

**Tan Kim Aun
Chin Lee Chin**

Secretaries