

TO: BURSA MALAYSIA SECURITIES BERHAD
FR: SUNWAY HOLDINGS BERHAD (37465A)

FAX NO: 03-2026 3670
FAX NO: 03-5639 9507

31 MAY 2011

1. Basis of Preparation

The interim report is unaudited and is prepared in accordance with FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's Annual Statutory Financial Statements for the financial year ended 31 December 2010.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual statutory financial statements for the financial year ended 31 December 2010 except as mentioned in Note 2 below.

2. Changes in Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those of the statutory financial statements for the financial year ended 31 December 2010 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs") and Issues Committee ("IC") Interpretations that are effective for the financial period beginning on 1 January 2011:

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

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2. Changes in Accounting Policies (contd.)

The adoption of the above did not have any significant impacts on the interim financial report upon their initial application.

3. Disposal Group Classified as Held for Sale

On 24 November 2010, the Company announced that the Board had received a letter from Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("Sunway"), which sets out Sunway's offer to acquire all of the business and undertaking of the Company as carried on by the Company as at the date hereof, including all Assets and Liabilities of the Company.

On 18 January 2011, the Company announced that it had entered into a conditional Sale of Business Agreement ("SBA") with Sunway in relation to the proposed disposal of the entire business and undertaking including all the assets and liabilities of the Company.

Further details on the proposed disposal is disclosed in Note 22(d).

As at reporting date, the assets and liabilities of the Group have been presented in the statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale" and its results are presented on the income statement and statement of comprehensive income under the "Discontinued Operations" header in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations in view of the Company's acceptance of Sunway's offer to acquire all of its business and undertaking, including all assets and liabilities of the Company. The above transaction has yet to be completed as at the date of issue of this report.

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3. Disposal Group Classified as Held for Sale (contd.)

Statement of financial position disclosures

The assets and liabilities of the Group classified as held for sale and the related reserves as at reporting date are as follows:

	As at 31-Mar-11 RM'000	As at 31-Dec-10 RM'000
<u>Assets</u>		
Property, plant and equipment	384,195	384,178
Investment properties	49,844	49,844
Rock reserves	9,314	9,314
Interest in associates	56,848	67,197
Other investments	1,703	1,711
Interest in jointly controlled entities	421,631	367,546
Land held for property development	120,778	119,084
Goodwill	127,842	127,842
Deferred tax assets	14,423	14,194
Property development costs	87,267	88,572
Inventories	240,023	237,720
Trade and other receivables	751,676	723,799
Derivatives	10,425	12,484
Tax recoverable	21,527	20,967
Cash and bank balances	237,054	257,142
Assets of disposal group classified as held for sale	<u>2,534,550</u>	<u>2,481,594</u>
<u>Liabilities</u>		
Borrowings	621,473	599,320
Deferred tax liabilities	17,479	17,435
Derivatives	257	412
Payables	795,258	805,687
Tax payable	25,362	25,809
Liabilities directly associated with disposal group classified as held for sale	<u>1,459,829</u>	<u>1,448,663</u>
<u>Reserves</u>		
Capital reserves	34,137	34,137
Capital redemption reserve	316	203
Foreign currency reserve	(15,944)	(12,317)
Statutory reserve	618	618
Revaluation reserve	22,357	22,501
Share option reserve	2,201	2,201
	<u>43,685</u>	<u>47,343</u>
Contingent liabilities associated with disposal group classified as held for sale	<u>1,478,199</u>	<u>1,377,321</u>

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4. Qualification of Financial Statements

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

5. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

6. Nature and Amount of Unusual Items

There were no unusual items for the current financial quarter and financial period-to-date.

7. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current interim period.

8. Issuance and Repayment of Debt and Equity Securities

There was no issuance or repayment of debt and equity securities, share cancellations and resale of treasury shares for the current financial period under review, except for the issuance of 956,500, 94,000, 104,000, and 52,250 new ordinary shares of RM1.00 each pursuant to the Employees' Share Option Scheme at an exercise price of RM1.00, RM1.21, RM1.75 and RM1.88 per ordinary share respectively for cash.

9. Dividend paid

There was no dividend paid during the quarter ended 31 March 2011.

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10. Segment Reporting

	<u>Construction RM'000</u>	<u>Property Development RM'000</u>	<u>Trading RM'000</u>	<u>Building Materials RM'000</u>	<u>Quarry RM'000</u>	<u>Financial Services RM'000</u>	<u>Investment Holding RM'000</u>	<u>Others RM'000</u>	<u>Intersegment Eliminations RM'000</u>	<u>Group RM'000</u>
Revenue										
External revenue	349,918	15,852	133,106	30,531	40,708	610	114	1,645	-	572,484
Inter-segment revenue	-	-	15,072	1,681	363	273	5,027	2,477	(24,893)	-
Total revenue	349,918	15,852	148,178	32,212	41,071	883	5,141	4,122	(24,893)	572,484
Segment results	14,892	50	13,637	2,451	3,752	237	(3,447)	1,570	-	33,142
Gain on derivatives	2,838	-	-	-	-	-	154	23	-	3,015
Finance income	719	159	25	6	161	2	102	69	-	1,243
Finance cost	(1,611)	(390)	(758)	(793)	(406)	-	(3,491)	(4)	-	(7,453)
Share of results of jointly controlled entities	15,385	5,175	-	-	-	-	-	-	-	20,560
Share of results of associates	-	-	-	-	-	-	-	985	-	985
Profit before taxation	32,223	4,994	12,904	1,664	3,507	239	(6,682)	2,643	-	51,492
Taxation	(2,394)	(214)	(2,451)	(613)	(681)	(68)	(246)	(330)	-	(6,997)
Profit for the financial period	29,829	4,780	10,453	1,051	2,826	171	(6,928)	2,313	-	44,495

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11. Valuation of Property, Plant and Equipment and Investment Properties

There is no valuation of property, plant and equipment and investment properties, as the Group does not adopt a revaluation policy.

12. Material Events Subsequent to the End of the Period Under Review

There was no material event subsequent to the period ended 31 March 2011.

13. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current financial quarter and financial period to date.

14. Contingent Liabilities

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

	31-Mar-11 <u>RM'000</u>	31-Dec-10 <u>RM'000</u>
Guarantees given to third parties in respect of contracts and trade performance	1,478,199	1,377,321
Attributable to disposal group classified as held for sale (Note 3)	<u>(1,478,199)</u>	<u>(1,377,321)</u>
	<u>-</u>	<u>-</u>

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

15. Review of Performance

The Group achieved revenue of RM572.5 million during the current quarter, 14% higher than the revenue of RM501.7 million recorded in the corresponding quarter in the previous financial period. The higher revenue was mainly contributed by the construction division as well as the overseas trading and manufacturing division.

With the change in classification of all its assets, liabilities and related reserves as held for sale (details in Note 3), the Group ceased the provision for depreciation for all its property, plant and equipment amounting to RM12.8 million, which has been classified as assets held for sale in the current quarter in accordance with FRS 5: Non-current Assets Held for Sale and Discontinued Operations. Despite higher revenue, the core profit before taxation of RM35.5 million (after removing the impact on depreciation of RM12.8 million and the fair value gains arising from the adoption of FRS139 of RM3.2 million) is lower than the core profit before taxation of RM45.4 million recorded in the previous corresponding period. This was mainly contributed by lower margins in some of its construction projects, slower take-up rate of its quarry operations and impact of currency devaluation from some of its overseas operations.

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16. Material Changes in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter

The Group recorded revenue and profit before taxation of RM572.5 million and RM51.5 million respectively during the current quarter, compared to revenue of RM514.6 million and profit before taxation of RM40.4 million in the immediate preceding quarter. At the core profit level, the current quarter's results was lower at RM35.5 million as compared to the core profit before taxation of RM37.6 million in the immediate preceding quarter. The lower profit during the quarter was mainly contributed by the lower revenue and profit achieved in the Group's local property development division and slower take-up rate of its quarry operations.

17. Current Year Prospects

The Group's expects sustainable earnings from its construction, property development and trading and manufacturing divisions.

The construction division's total order book stands at RM2.4 billion, of which almost 70% are local projects. The division is expected to ride on the return of large-scale projects under the 10th Malaysia Plan and Economic Transformation Programme, and will continue to contribute significantly to the Group's future earnings.

The property development division has a healthy level of unbilled sales amounting to almost RM500 million, mainly from its Singapore property development venture. The division will remain as a key contributor to the Group's profits in the current year.

The continued expansion by the trading and manufacturing division, both by way of increasing its regional presence as well as by going upstream into the manufacturing of related products, will provide steady income growth to the Group.

18. Variance of Actual Profit from Profit Forecast

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

19. Income Tax

	Individual Quarter 31-Mar-11 RM'000	Cumulative Quarter 31-Mar-11 RM'000
Current taxation	6,648	6,648
Deferred taxation	349	349
Under accruals in respect of prior financial years	-	-
	6,997	6,997

The lower effective tax rate for the current quarter and period as compared to the statutory tax rate is mainly due to certain foreign sourced income not subject to tax.

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20. Profits/(Loss) on Sale of Unquoted Investments and/or Properties

There was no disposal of unquoted investments and/or properties for the current quarter.

21. Quoted Securities

There was neither any purchase nor disposal of quoted securities for the current quarter.

22. Status of Corporate Proposals Announced

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

- (a) On 19 January 2010, the Company announced that SunwayMas Sdn. Bhd. ("SunwayMas"), its wholly-owned subsidiary had entered into a Share Sale Agreement and Shareholders Agreement with Templer Forest Resort Sdn. Bhd. ("Templer Forest").

Pursuant to the Share Sale Agreement, SunwayMas shall acquire 60% equity interest, comprising 1,980,000 ordinary shares of RM1.00 each in Spanland Sdn. Bhd. ("Spanland") from Templer Forest for a total purchase consideration of RM13,800,000 ("Proposed Acquisition"). The Shareholders Agreement outlines the joint venture arrangement of SunwayMas and Templer Forest and their mutual rights and obligations as shareholders of Spanland as well as to jointly undertake a property development project on parcels of leasehold land measuring approximately 98.43 acres located at Mukim Rawang, District of Gombak, Selangor.

Upon completion of the Proposed Acquisition, Spanland shall become a 60% owned subsidiary of SunwayMas. The Shareholders Agreement will come into effect on the completion of the Proposed Acquisition.

The Proposed Acquisition is expected to be completed within 21 business days after the fulfillment of all conditions precedent or such other date as may be agreed between the parties.

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22. Status of Corporate Proposals Announced (contd.)

- (b) On 21 September 2010, the Company announced the proposed issuance of up to RM500 million in nominal value of commercial papers and/or medium term notes (collectively referred to as the "Notes") under a commercial paper/medium term notes programme ("CP/MTN Programme").

The Company has mandated RHB Investment Bank Berhad as the Principal Adviser/Lead Arranger for the CP/MTN Programme.

Pursuant to the CP/MTN Programme, the Company may at its election (but shall not be obliged to do so) and prior to any issuance of the Notes nominate each of either OCBC Bank (Malaysia) Berhad and/or RHB Bank Berhad to guarantee up to the maximum amount of RM100 million each of any series of the Notes. The bank guarantees to be issued by OCBC Bank (Malaysia) Berhad and/or RHB Bank Berhad, as the case may be, shall have the tenor of not more than 5 years from the first issue date of the Notes under the CP/MTN Programme.

The proceeds from the CP/MTN Programme shall be utilised to repay existing bank borrowings, to finance future property developments, capital expenditure or investments of the Company and/or any of its subsidiaries, and the balance, if any, for working capital of the Company and/or any of its subsidiaries and to pay all incidental costs in relation to the CP/MTN Programme.

On 26 October 2010, the Company announced that the CP/MTN Programme has been approved by the Securities Commission vide its letter dated 25 October 2010.

On 15 November 2010, the Company has made its first issuance under the CP/MTN Programme. A total of RM85.0 million nominal value medium term notes were issued, all guaranteed by OCBC Bank (Malaysia) Berhad.

- (c) On 24 September 2010, the Company announced that SunwayMas had entered into a JVA with Dasa Tourist Complex (Private) Limited ("Dasa Tourist") to undertake a mixed development comprising at least 318,000 sq ft of net saleable areas of residential units and 60,000 sq ft net saleable areas of commercial units in Colombo city in the Democratic Socialist Republic of Sri Lanka ("Proposed Development") via a joint venture company ("JV Co.") to be incorporated in the Democratic Socialist Republic of Sri Lanka.

SunwayMas and Dasa Tourist have entered into the JVA to undertake the Proposed Development as well as to record their joint venture arrangement and their rights and obligations as shareholders in the JV Co. SunwayMas shall hold 65% and Dasa Tourist shall hold 35% under the proposed shareholding structure of the JV Co.

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22. Status of Corporate Proposals Announced (contd.)

(d) On 24 November 2010, the Company announced that the Board had received a letter from Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) ("Sunway"), which sets out Sunway's offer to acquire all of the business and undertaking of the Company as carried on by the Company as at the date hereof, including all Assets and Liabilities of the Company as at Completion at an aggregate purchase consideration:

- (i) equivalent to RM2.60 per ordinary share of RM1.00 each in the Company multiplied by the total outstanding shares in the Company (less treasury shares, if any) at a date to be determined later;
- (ii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in the Company and calculated by applying all the relevant variables as at 22 November 2010, for the options issued under the Company's employees' share option scheme ("ESOS options"), multiplied by the total outstanding number of ESOS options issued (for every issue of the ESOS options, batched by their respective conversion prices). The Black-Scholes values for the ESOS options range from RM0.98 to RM1.67 per ESOS option (subject to the respective conversion price of the options); and
- (iii) equivalent to the Black-Scholes valuation based on RM2.60 per ordinary share in the Company and calculated by applying all the relevant variables as at 22 November 2010, being RM1.50 per warrant of the Company ("Warrant"), multiplied by the total outstanding number of Warrants in issue at a date to be determined later.

On 14 December 2010, the Company announced that the non-interested Directors of the Company, after taking into consideration the independent advice of the Independent Advisor, OSK Investment Bank Berhad, have decided to accept Sunway's offer, subject to, inter alia, the approval of the shareholders and relevant authorities, where required.

On 18 January 2011, the Company announced that it had entered into a conditional Sale of Business Agreement ("SBA") with Sunway in relation to the proposed disposal of the entire business and undertaking including all the assets and liabilities of the Company ("Proposed Disposal").

Pursuant to the Proposed Disposal, the Company will also undertake the following:

- (i) proposed capital repayment by way of a capital reduction exercise pursuant to Sections 60(2) and/or 64 of the Companies Act, 1965 ("Proposed Capital Reduction and Repayment");
- (ii) proposed termination of the employees' share option scheme ("ESOS") of the Company ("Proposed ESOS Termination"); and
- (iii) proposed payment to warrant holders of the Company by way of a special resolution as provided by the deed poll ("Proposed Warrant Scheme").

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22. Status of Corporate Proposals Announced (contd.)

(d) On 18 May 2011, the Company announced that the Securities Commission has vide its letter dated 16 May 2011, granted its approval under Section 212(5) of the Capital Markets Services Act 2007 in relation to the Proposed Disposal.

23. Group Borrowings and Debt Securities

Group borrowings and debt securities as at the end of the financial period are as follows:

	<u>Current</u> <u>RM'000</u>	<u>Non-Current</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>Borrowings</u>			
Secured	117,250	101,655	218,905
Unsecured	97,944	304,624	402,568
	215,194	406,279	621,473
Attributable to disposal group classified as held for sale	(215,194)	(406,279)	(621,473)
	-	-	-

Included in the above are borrowings which are denominated in foreign currencies as follows:-

	<u>Current</u>	<u>Non Current</u>
<u>Secured</u>		
Denominated in Singapore Dollar (SGD'000)	992	13,561
Denominated in Trinidad & Tobago Dollar (TTD'000)	8,940	17,880
Denominated in Chinese Renminbi (RMB'000)	86,897	56,024
Denominated in Australian Dollar (AUD'000)	1,879	100
<u>Unsecured</u>		
Denominated in Singapore Dollar (SGD'000)	12,330	-

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24. Financial Instruments

As at 31 March 2011, the Group's outstanding derivatives were as follows:

Type of Derivatives	Notional Value	Fair Value	Gains arising from Fair Value Changes for the Period
	RM'000	RM'000	RM'000
Foreign currency forward contracts			
- Less than 1 year	160,247	10,425	
	<u>160,247</u>	<u>10,425</u>	2,861
Interest rate swap contracts			
- Less than 1 year	7,263	(219)	
- 1 year to 3 years	21,789	(40)	
- More than 3 years	1,842	2	
	<u>30,894</u>	<u>(257)</u>	154
Total derivatives		<u>10,168</u>	<u>3,015</u>

Foreign currency forward contracts

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

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

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24. Financial Instruments (contd.)

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.

25. Material Litigation

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

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

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

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

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25. Material Litigation (contd.)

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

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

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

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

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

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

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

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

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25. Material Litigation (contd.)

- (b) On the 12 April 2011 hearing, both sides were allowed to file further documents, if any, within the next 3 weeks, as the final submission. The next hearing date was 16 May 2011 for noting compliance of directions and thereafter, cross-examination of their first witness will be on 1 and 2 July 2011.

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

Except for the abovementioned claims, there was no pending material litigation as at 24 May 2011 being the latest practicable date, which is not earlier than 7 days from the date of this report.

26. Dividend

No dividend has been proposed by the Board of Directors for the financial period ended 31 March 2011.

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27. Realised and Unrealised Profits/(Losses)

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

	As at <u>31-Mar-11</u> <u>RM'000</u>	As at <u>31-Dec-10</u> <u>RM'000</u>
Total accumulated losses of the Company and its subsidiaries:		
- Realised	(58,542)	(76,368)
- Unrealised	(14,754)	(10,079)
	<hr/>	<hr/>
	(73,296)	(86,447)
Total share of (accumulated losses)/retained profits from associates:		
- Realised	(1,097)	(2,040)
- Unrealised	158	116
Total share of retained profits from jointly controlled entities:		
- Realised	193,009	172,449
- Unrealised	(8,048)	(8,048)
	<hr/>	<hr/>
	110,726	76,030
Less: Consolidation adjustments	(25,218)	(33,847)
Total Group retained profits as per consolidated accounts	<hr/> <hr/>	<hr/> <hr/>
	85,508	42,183

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

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FAX NO: 03-5639 9507

31 MAY 2011

28. Earnings Per Share

	Individual Quarter <u>31-Mar-11</u>	Cumulative Quarter <u>31-Mar-11</u>
Net earnings for the period (RM'000)	43,245	43,245
Weighted average number of ordinary share in issue ('000)	582,505	582,505
Basic earnings per share (sen)	7.42	7.42
Net earnings for the period (RM'000)	43,245	43,245
Weighted average number of ordinary share in issue ('000)	696,808	696,808
Diluted earnings per share (sen)	6.21	6.21

The computation of the weighted average number of ordinary shares in issue is net of treasury shares.

TO: BURSA MALAYSIA SECURITIES BERHAD
FR: SUNWAY HOLDINGS BERHAD (37465A)

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31 MAY 2011

29. Commitments

- (a) Capital commitment not provided for in the financial period as at 31 March 2011 is as follows:-

	31-Mar-11	31-Dec-10
	<u>RM'000</u>	<u>RM'000</u>
Amount authorised and contracted for	19,264	11,306
Amount authorised but not contracted for	37,605	46,386
	<u>56,869</u>	<u>57,692</u>

- (b) Operating lease commitment not provided for in the financial period as at 31 March 2011 is as follows:-

	31-Mar-11	31-Dec-10
	<u>RM'000</u>	<u>RM'000</u>
Future minimum lease payments:		
- not later than 1 year	19,485	19,581
- later than 1 year and not later than 5 years	48,211	49,090
- later than 5 years	26,268	31,229
	<u>93,964</u>	<u>99,900</u>
Future minimum sublease receipts:		
- not later than 1 year	166	289
- later than 1 year and not later than 5 years	-	-
	<u>166</u>	<u>289</u>

By order of the Board
Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng
Tan Kim Aun
Lee Suan Choo
Secretaries