

SUNWAY BERHAD (Company No : 921551-D)
(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010	CURRENT YEAR TO DATE 31/12/2011	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010
	RM'000	RM'000	RM'000	RM'000
REVENUE	968,606	-	3,738,913	-
OPERATING EXPENSES	(867,572)	-	(3,540,170)	-
OTHER OPERATING INCOME	104,754	-	172,379	-
PROFIT FROM OPERATIONS	<u>205,788</u>	<u>-</u>	<u>371,122</u>	<u>-</u>
GAIN/ (LOSS) ON DERIVATIVES	515	-	(7,786)	-
FINANCE INCOME	9,855	-	30,086	-
FINANCE COSTS	(27,668)	-	(85,624)	-
SHARE OF PROFIT FROM ASSOCIATES	19,026	-	109,843	-
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES	(17,432)	-	89,405	-
PROFIT BEFORE TAX	<u>190,084</u>	<u>-</u>	<u>507,046</u>	<u>-</u>
INCOME TAX EXPENSE	(59,123)	-	(98,834)	-
PROFIT FOR THE PERIOD	<u>130,961</u>	<u>-</u>	<u>408,212</u>	<u>-</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	123,786	-	369,714	-
- NON-CONTROLLING INTERESTS	7,175	-	38,498	-
	<u>130,961</u>	<u>-</u>	<u>408,212</u>	<u>-</u>
EARNINGS PER SHARE				
(i) BASIC (sen)	<u>9.58</u>	<u>N/A</u>	<u>28.60</u>	<u>N/A</u>
(ii) DILUTED (sen)	<u>9.58</u>	<u>N/A</u>	<u>28.60</u>	<u>N/A</u>

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

SUNWAY BERHAD (Company No : 921551-D)

(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2011	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2010	CURRENT YEAR TO DATE 31/12/2011	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2010
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	130,961	-	408,212	-
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(10,571)	-	(5,434)	-
CASH FLOW HEDGE - FAIR VALUE LOSSES	5,396	-	(13,815)	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	(5,175)	-	(19,249)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	125,786	-	388,963	-
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	119,347	-	350,906	-
- NON-CONTROLLING INTERESTS	6,439	-	38,057	-
	125,786	-	388,963	-

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

SUNWAY BERHAD (Company No : 921551-D)
(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	AS AT END OF CURRENT QUARTER 31/12/2011	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,014,503	-
Biological assets	401	-
Investment properties	865,513	-
Rock reserves	8,379	-
Land held for property development	942,691	-
Investment in associates	1,015,303	-
Investment in jointly controlled entities	492,930	-
Other investments	19,358	-
Derivative assets	33,565	-
Receivables	13,941	-
Goodwill	325,345	-
Deferred tax assets	44,333	-
	4,776,262	-
Current assets		
Properties development costs	647,117	-
Inventories	454,052	-
Receivables, deposits & prepayments	1,096,299	-
Deposits, bank & cash balances	783,571	-
Tax recoverable	58,101	-
	3,039,140	-
TOTAL ASSETS	7,815,402	-
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	1,930,531	-
Bank borrowings	301,387	-
Taxation	26,534	-
Derivative liabilities	1,385	-
	2,259,837	-
Non-current liabilities		
Long term bank borrowings	1,962,993	-
Other long term liabilities	179,789	-
Derivative liabilities	182	-
Deferred taxation	98,164	-
	2,241,128	-
Total liabilities	4,500,965	-
Equity attributable to Owners of the Parent		
Share capital	1,292,505	-
Share premium	2,326,509	-
Negative merger reserve	(1,173,563)	-
Retained profits	371,672	-
Other reserves	166,156	-
	2,983,279	-
NON-CONTROLLING INTERESTS	331,158	-
Total equity	3,314,437	-
TOTAL EQUITY AND LIABILITIES	7,815,402	-
Net Assets Per Share	2.31	N/A

Sunway Berhad (formerly known as Alpha Sunrise Sdn. Bhd.) has adopted the Merger Method of Accounting in respect of acquisition of Sunway Holdings Sdn Bhd group and Sunway City Sdn Bhd group. Under the Merger Method of Accounting, the Group's consolidated results for the current financial year ended 31 December 2011 comprise the consolidated results of all subsidiaries as if the merger had been effected throughout the entire financial year to date.

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

SUNWAY BERHAD (Company No : 921551-D)
(FORMERLY KNOWN AS ALPHA SUNRISE SDN. BHD.)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011

	ATTRIBUTABLE TO OWNERS OF THE PARENT													DISTRIBUTABLE		NON-CONTROLLING INTERESTS	TOTAL EQUITY
					NON-DISTRIBUTABLE									RETAINED PROFITS	TOTAL		
	SHARE CAPITAL	SHARE PREMIUM	NEGATIVE MERGER RESERVE	OTHER RESERVES, TOTAL	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN EXCHANGE RESERVE	FAIR VALUE RESERVE	STATUTORY RESERVE	REVALUATION RESERVE	SHARE OPTION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE & FITTINGS RESERVE	RM'000	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
YEAR ENDED 31 DECEMBER 2011																	
At 1 January 2011	1,292,505	2,326,509	(1,173,563)	176,800	109,312	203	(8,002)	49,967	618	22,501	2,201	-	-	-	2,622,251	385,837	3,008,088
Total comprehensive income	-	-	-	(18,808)	-	-	(4,993)	-	-	-	-	(13,815)	-	369,714	350,906	38,057	388,963
Issue of ordinary shares by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,228	6,228
Issue of preference shares by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,100	2,100
New ESOS granted	-	-	-	969	-	-	-	-	-	-	969	-	-	-	969	-	969
Redemption of redeemable preference shares	-	-	-	143	-	143	-	-	-	-	-	-	-	(143)	-	-	-
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4,217	4,217	482	4,699
Effect of FRS 139	-	-	-	4,887	(11)	-	-	4,898	-	-	-	-	-	-	4,887	(1,947)	2,940
Dividends paid by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,463)	(39,463)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,187	13,187
Acquisition of equity interest from non-controlling inte	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,023)	(8,023)
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,300)	(65,300)
Transfer to statutory reserve	-	-	-	260	-	-	-	-	260	-	-	-	-	(260)	-	-	-
Transfer to furniture & fittings reserve	-	-	-	2,049	-	-	-	-	-	-	-	-	2,049	(2,049)	-	-	-
Share of depreciation transfer on land, net of tax by an associated company	-	-	-	(144)	-	-	-	-	-	(144)	-	-	-	193	49	-	49
At 31 December 2011	1,292,505	2,326,509	(1,173,563)	166,156	109,301	346	(12,995)	54,865	878	22,357	3,170	(13,815)	2,049	371,672	2,983,279	331,158	3,314,437

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

SUNWAY BERHAD (Company No : 921551-D)
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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011

	FOR THE 12 MONTHS YEAR ENDED 31/12/2011	FOR THE 12 MONTHS YEAR ENDED 31/12/2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	4,155,272	-
Payment to suppliers and contractors	(2,924,391)	-
Payment of operating expenses	(903,979)	-
Interest received	52,425	-
Dividend received from associate and jointly controlled entity	84,192	-
Cash generated from operations	463,519	-
Taxes refunded	18,729	-
Taxes paid	(159,057)	-
Net cash generated from operating activities	323,191	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	7,891	-
Proceeds from other investment	(4)	-
Acquisition of land	(84,448)	-
Acquisition of property, plant & equipment and biological assets	(84,357)	-
Additional investment in subsidiaries	(37,798)	-
Acquisition and subsequent expenditure of investment properties	(92,994)	-
Investment in associates	(4,696)	-
Repayment from/ (advances to) associates, jointly controlled entity and joint venture partners	29,509	-
Investment in jointly controlled entities	(23,707)	-
Net cash used in investing activities	(290,604)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	908,039	-
Issue of ordinary shares to minority shareholders of subsidiary	300	-
Issue of preference shares to minority shareholders of subsidiary	2,100	-
Interest paid	(71,642)	-
Redemption of preference share in other investments	10,853	-
Redemption of preference share in jointly controlled entities	9,500	-
Capital repayment to shareholders	(970,066)	-
Dividend paid to non-controlling interests of subsidiaries	(5,089)	-
Net cash generated from financing activities	(116,005)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(83,418)	-
EFFECTS OF EXCHANGE RATE CHANGES	7,368	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	856,193	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	780,143	-
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	783,571	-
Bank overdrafts	(3,428)	-
	780,143	-

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

NOTES TO FINANCIAL STATEMENTS :

A1 Accounting Policies and Basis of Preparation

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

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

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

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

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

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

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

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

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

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

A2 Comparative Figures

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

A3 Report of the Auditors

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

A4 Seasonal or Cyclical Factors

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

A5 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 December 2011 except for the following:

a) Current quarter ended 31 December 2011

	31/12/11 RM'million	31/12/11 RM'million
Profit before tax as reported		190.1
Gain on derivatives ¹	(0.5)	
Listing and merger expenses ³	0.4	
Fair value gain from investment properties ⁵	(51.3)	
Unrealised foreign exchange loss ⁶	1.2	(50.2)
Profit before tax excluding unusual items as per note A9		139.9
Profit after tax and non-controlling interests as reported		123.8
Gain on derivatives ¹	(0.5)	
Listing and merger expenses ³	0.4	
Reversal of taxation ⁴	5.3	
Fair value gain from investment properties ⁵	(30.9)	
Unrealised foreign exchange loss ⁶	1.2	(24.5)
Profit after tax and non-controlling interests excluding unusual items as per note A9		99.3

b) Cumulative year to date ended 31 December 2011

	31/12/11 RM'million	31/12/11 RM'million
Profit before tax as reported		507.0
Loss on derivatives ¹	7.8	
Fair value gain from associate ²	(41.6)	
Listing and merger expenses ³	20.8	
Fair value gain from investment properties ⁵	(51.3)	
Unrealised foreign exchange loss ⁵	1.2	(63.1)
Profit before tax excluding unusual items as per note A9		443.9
Profit after tax and non-controlling interests as reported		369.7
Loss on derivatives ¹	7.8	
Fair value gain from associate ²	(31.1)	
Listing and merger expenses ³	20.8	
Reversal of taxation ⁴	(11.9)	
Fair value gain from investment properties ⁵	(30.9)	
Unrealised foreign exchange loss ⁵	1.2	(44.1)
Profit after tax and non-controlling interests excluding unusual items as per note A9		325.6

¹ During the 4th quarter ended 31 December 2011, the Group recognised RM0.5 million in gain on derivatives as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement. The Group recognised gain on derivatives of RM3.2 million and RM0.4 million during the 1st and 2nd quarter respectively and loss on derivatives of RM11.9 million in the 3rd quarter. Consequently, the Group suffered net loss on derivative of RM7.8 mil for the 12 months ended 31 December 2011.

² During the 2nd quarter ended 30 June 2011, the Group recognised RM41.6 million (profit before tax) and RM31.1 million (profit after tax and non-controlling interests) as share of fair value gain from Sunway REIT, a 36.7 % associate of the Group following Sunway REIT's fair value gain amounting to RM113.2 million.

³ During the 4th quarter ended 31 December 2011, the Group incurred expenses of RM0.4 million in relating to the acquisition of the entire business and undertaking, including the assets and liabilities of SWH and SCB, and the listing of the Company. The Group incurred RM 7.5 million and RM12.9 million of similar expenses as disclosed in its 2nd and 3rd quarter results. As a result, total merger and listing expenses for the 12 months ended 31 December 2011 amounted to RM 20.8 million.

⁴ During the 4th quarter ended 31 December 2011, the Group charged out RM5.3 million (loss after tax and non-controlling interests) of deferred tax. During the 1st quarter ended 31 March 2011, the Group reversed RM17.2 million (profit after tax and non-controlling interests) of taxation provided following a successful tax treatment appeal to the Australian Tax Office. Consequently, the Group recognised RM11.9 million (profit after tax and non-controlling interests) for the financial year ended 31 December 2011.

⁵ During the 4th quarter ended 31 December 2011, the Group recognised RM51.3 million (profit before tax) and RM30.9 million (profit after tax and non-controlling interests) of fair value gain from its investment properties, with details as explained in Note A10.

⁶ During the 4th quarter ended 31 December 2011, the Group incurred a loss on unrealised foreign exchange of RM1.2 million.

A6 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 31 December 2011.

A7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period under review, except for the issuance of 1,292,505,000 ordinary shares of RM1.00 each at an issued price of RM2.80 and 258,501,000 free warrants as part of the consideration pursuant to the acquisition of the business and undertaking, including the assets and liabilities, of SWH and SCB.

A8 Dividend Paid

There was no dividend paid during the financial year ended 31 December 2011.

A9 Segmental Reporting

Segmental results for the financial year ended 31 December 2011 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	913,257	521,657	1,261,510	553,154	184,491	2,909	301,935	-	3,738,913
Inter-segment sales	-	12,606	59,225	89,025	2,750	86,034	30,882	(280,522)	-
Total Revenue	913,257	534,263	1,320,735	642,179	187,241	88,943	332,817	(280,522)	3,738,913
Results									
Operating segment results	128,628	158,005	51,998	50,261	8,393	(39,505)	13,342	-	371,122
Loss on derivatives	-	-	(7,239)	-	-	(543)	(4)	-	(7,786)
Finance income	17,910	4,031	4,245	420	450	-	3,030	-	30,086
Finance costs	(9,490)	(35,293)	(5,426)	(3,921)	(951)	(20,612)	(9,931)	-	(85,624)
Share of results of associated companies	(10)	107,810	-	-	-	-	2,043	-	109,843
jointly controlled entities	84,716	-	4,689	-	-	-	-	-	89,405
Profit before taxation	221,754	234,553	48,267	46,760	7,892	(60,660)	8,480	-	507,046
Taxation	(9,441)	(50,935)	(20,174)	(10,610)	(430)	(3,431)	(3,813)	-	(98,834)
Profit for the period	212,313	183,618	28,093	36,150	7,462	(64,091)	4,667	-	408,212
Non controlling interests	(41,903)	(9,305)	9,967	(1,323)	-	2,947	1,119	-	(38,498)
Attributable to owners of the parent	170,410	174,313	38,060	34,827	7,462	(61,144)	5,786	-	369,714

	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
	RM'000	RM'000	RM'000	RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	2,931,410	366,831	257,917	230,555
Singapore	197,510	117,206	104,419	104,420
China	253,212	(49,252)	(51,606)	(30,583)
India	38,640	(244)	(241)	(240)
Australia	72,655	37,647	64,429	37,732
Abu Dhabi	132,926	13,162	13,161	9,155
Other Countries	112,560	21,696	20,133	18,675
	3,738,913	507,046	408,212	369,714

Core segmental results (excluding unusual items as per Note A5) for the financial year ended 31 December 2011 are as follows:

	Property Development	Property Investment Division	Construction	Trading and Manufacturing	Quarry	Investment Holdings	Others	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
BY BUSINESS SEGMENTS									
REVENUE AND EXPENSES									
Revenue									
External sales	913,257	521,657	1,261,510	553,154	184,491	2,909	301,935	-	3,738,913
Inter-segment sales	-	12,606	59,225	89,025	2,750	86,034	30,882	(280,522)	-
Total Revenue	913,257	534,263	1,320,735	642,179	187,241	88,943	332,817	(280,522)	3,738,913
Results									
Operating segment results	126,962	110,943	51,997	50,261	8,393	(20,052)	13,342	-	341,846
Finance income	17,910	4,031	4,245	420	450	-	3,030	-	30,086
Finance costs	(9,490)	(35,293)	(5,426)	(3,921)	(951)	(20,612)	(9,931)	-	(85,624)
Share of results of associated companies	(10)	66,210	-	-	-	-	2,043	-	68,243
jointly controlled entities	84,716	-	4,689	-	-	-	-	-	89,405
Profit before taxation	220,088	145,891	55,505	46,760	7,892	(40,664)	8,484	-	443,956
Taxation	(26,255)	(28,185)	(20,174)	(10,610)	(430)	1,912	(3,813)	-	(87,555)
Profit for the period	193,833	117,706	35,331	36,150	7,462	(38,752)	4,671	-	356,401
Non controlling interests	(41,903)	(1,620)	9,967	(1,323)	-	2,947	1,119	-	(30,813)
Attributable to owners of the parent	151,930	116,086	45,298	34,827	7,462	(35,805)	5,790	-	325,588

A9 Segmental Reporting

	Revenue	Profit before tax	Profit after tax	Attributable to owners of the parent
	RM'000	RM'000	RM'000	RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	2,931,410	303,741	223,338	203,661
Singapore	197,510	117,206	104,419	104,420
China	253,212	(49,252)	(51,606)	(30,583)
India	38,640	(244)	(241)	(240)
Australia	72,655	37,647	47,197	20,500
Abu Dhabi	132,926	13,162	13,161	9,155
Other Countries	112,560	21,696	20,133	18,675
	<u>3,738,913</u>	<u>443,956</u>	<u>356,401</u>	<u>325,588</u>

A10 Valuation of Property, Plant and Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date, except for the following directors' revaluation during the current quarter based on a professional valuer's opinion:

- Sunway Monash U Residence Sdn. Bhd. was revalued to RM200.0 million which give rise to a fair value gain of RM22.5 million (profit after tax and minority interest of RM10.1 million).
- 21 other investment properties were revalued to RM639.4 million which give rise to a fair value gain of RM28.8 million (profit after tax and minority interest of RM20.8 million).

The above mentioned fair value gains are reflected in other operating income.

A11 Material events

There were no material events subsequent to the current quarter ended 31 December 2011.

A12 Changes in the Composition of the Group

There was no material change in the composition of the Group for the current quarter ended 31 December 2011 except for the following:

- On 19 December 2011, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, had entered into a Subscription and Shareholders' Agreement ("SSA") with Dayang Bunting Ventures Sdn. Bhd. ("DBV"), a wholly-owned subsidiary of Khazanah Nasional Berhad ("Khazanah") and Semerah Cahaya Sdn. Bhd. ("SCSB") with the intention of establishing a joint venture company, SCSB ("Proposed Joint Venture").

The initial shareholding structure of SunCity and DBV in SCSB will be 38% and 62% respectively with a paid-up share capital of RM360,000,000 comprising 3,600,000 ordinary shares of RM1 each and 356,400,000 redeemable preference shares ("RPS") of par value of RM0.01 in the capital of SCSB issued at RM1 per share (at RPS to ordinary share ratio of 99:1). Thereafter, SunCity will inject its investment of RM198 million progressively in the form of ordinary shares of RM1 each and RPS of par value RM0.01 at an issue price of RM1 per share at the same RPS to ordinary share ratio of 99:1. The final shareholding structure of SunCity and DBV in SCSB shall be 60% and 40% respectively.

SCSB to acquire leases of up to 99 years ("Lease") over the following parcels of land ("Lands") located in Zone F within Medini, Iskandar Malaysia to undertake an integrated commercial and residential development on the Lands as well as to regulate the relationship of SunCity and DBV as shareholders of SCSB:

- Land held under HS(D) 453631, PTD 154498, Mukim Pulau, Daerah Johor Bahru, Johor Darul Takzim measuring 223.085 hectares; and
- Land held under HS(D) 453633, PTD 154500, Mukim Pulau, Daerah Johor Bahru, Johor Darul Takzim measuring 56.864 hectares.

SCSB has also on even date, entered into a conditional Lease Purchase Agreement with Global Capital and Development Sdn. Bhd. for the acquisition of the Lease on an "as is where is" basis and free from encumbrances for a total purchase consideration of up to RM745,331,100.

- On 30 December 2011, SunCity, a wholly-owned subsidiary of the Company, had subscribed for an additional 147,499 ordinary shares of RM1 each representing approximately 59% of the total issued and paid-up share capital of Sunway Velocity Mall (formerly known as Glitter Performance Sdn. Bhd.) for a total consideration of RM147,499 ("the Subscription").

Prior to the Subscription, SVM was a 50% owned associated company of SunCity, holding 1 share. As a result of the Subscription, SVM has become a 59% owned subsidiary of SunCity.

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

A13 Contingent Liabilities and Assets

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

	31/12/2011 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,271,113</u>

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

A14 Commitments

- Capital commitment not provided for in the financial year as at 31 December 2011 is as follows:

	31/12/2011 RM'000
Amount authorised and contracted for	241,265
Amount authorised but not contracted for	1,212,727
	<u>1,453,992</u>

- Operating lease commitment not provided for in the financial year as at 31 December 2011 is as follows:

	31/12/2011 RM'000
Future minimum lease payment:	
- not later than 1 year	80,403
- later than 1 year and not later than 5 years	226,983
- later than 5 years	172,241
	<u>479,627</u>
Future minimum lease receipts:	
- not later than 1 year	45,227
- later than 1 year and not later than 5 years	209,536
- later than 5 years	178,163
	<u>432,926</u>

B1 Review of PerformanceFor the quarter

For the quarter, the Group's recorded revenue was RM968.6 million and profit before tax was RM190.1 million. However, after adjusting for fair value accounting and other unusual items mentioned in Note A5 above, the Group's profit before tax is revised to RM139.9 million.

The results were largely driven by the Group's core businesses, comprising of property development, property investment and construction, which contributed approximately 81% of the Group's profit before tax.

The property development segment reported revenue of RM243.9 million and profit before tax of RM79.5 million, contributed mainly from the progressive billings of the Sunway Nexis, LaCosta at South Quay, Sunway Vivaldi and Sunway Velocity projects. The property projects in Singapore also provided significant contribution. However, the performance of the Jiangyin project in China was below expectation due to construction delay and cost overrun. The situation was further aggravated by the Chinese government's property tightening measures which impacted current sales. As a result, its contribution has turned negative and additional provision was also made to cover potential late delivery claims.

The property investment segment reported revenue of RM161.2 million and profit before tax of RM37.9 million, contributed mainly from the share of profits from its investment in Sunway REIT, the REIT management fees, and the leisure and hospitality divisions which comprise of the theme parks and hotels.

The construction segment reported revenue of RM292.8 million and loss before tax of RM4.6 million. The loss is due to provisions made for Sunway Global in China for impairment losses of plant and machinery and doubtful debts which amounted to approximately RM 23 Million. Before such provisions, the profit before tax was RM 18 million with contributions from its construction projects in Malaysia, Rihan Heights project in Abu Dhabi (which is nearly completed) and the precast concrete business in Singapore.

The trading and manufacturing segment reported revenue of RM136.4 million and profit before tax of RM12.7 million, with contributions from its local and overseas operations.

The quarry segment reported revenue of RM48.6 million and profit before tax of RM1.1 million, contributed mainly from its operations in Malaysia.

The other segment reported revenue of RM85.1 million and profit before tax of RM13.4 million, of which the healthcare unit reported revenue of RM43.9 million with a turnaround profit before tax of RM3.4 million and the building materials operation reported revenue of RM35.3 million and a profit before tax of RM7.2 million.

For the 12-month period

For the financial year ended 31 December 2011, the Group's recorded revenue was RM3.74 billion and profit before tax was RM507.0 million. However, after adjusting for fair value accounting and other unusual items mentioned in Note A5 above, the Group's profit before tax is revised to RM443.9 million.

The property development segment reported revenue of RM913.3 million and profit before tax of RM220.1 million for the financial year ended 31 December 2011. The property development projects with significant contributions during the year were Sunway Vivaldi, BayRocks, LaCosta and Sunway Nexis and our joint venture developments in Singapore and Australia. However, the overall profitability was dampened by the losses suffered from the Jiangyin project in China.

The property investment segment reported revenue of RM521.7 million and profit before tax of RM145.9 million, contributed mainly from the share of profits from its investment in Sunway REIT, the REIT management fees and the leisure and hospitality divisions, comprising mainly the theme parks and hotels.

The construction segment reported revenue of RM1,261.5 million and profit before tax of RM55.5 million, contributed mainly from its projects in Malaysia, Rihan Heights project in Abu Dhabi which is nearing completion and the supply of precast concrete materials in Singapore. Its profitability, however, was impacted by the RM 23 million provisions made by Sunway Global, China.

The trading and manufacturing segment reported revenue of RM553.2 million and profit before tax of RM46.8 million, with expanding contribution from its overseas operations in Singapore, Indonesia and China and the heavy equipment division locally.

The quarry segment reported revenue of RM184.5 million and profit before tax of RM7.9 million, contributed mainly from its operations in Malaysia. Its operations in Trinidad and Tobago which supplies aggregate to the local government generates reasonably good profits but it was partly offset by the losses suffered by its Vietnam operations.

The other segment reported revenue of RM301.9 million and profit before tax of RM8.5 million. It comprises of healthcare, building material, insurance and leasing divisions.

B2 Material Changes in the Quarterly Results

The current quarter's revenue of RM968.6 million was higher than the RM934.0 million achieved in the immediate preceding quarter. In tandem, the profit before tax (after adjustment of unusual items in note A5) of RM139.9 million was higher than the RM115.5 million achieved in the preceding quarter.

The significant increase in profitability was mainly due to the higher profit recognition from the property development projects in Malaysia and Singapore, and better performance from the other operations such as the healthcare and building materials divisions which managed to improve their operational efficiencies in the last quarter. However, the improved financial performance was partly offset by the poor results suffered by the Group's China operation.

B3 Prospects

Despite the ongoing global economic uncertainties caused by the slowdown of the US economy and the European sovereign debt crisis, the Group still managed to deliver satisfactory financial results. Notwithstanding this, the Group has taken the opportunity in conjunction with the recent merger exercise to restructure some of the key operations, with the objective of improving its profitability.

Going forward, the Group will continue to focus its efforts to harness the synergistic benefits from the merger to deliver a better operational and more competitive cost structure. As with regard to land banking, the recent acquisition of approximately 700 acres of prime land in Iskandar, Johor has boosted the Group's strategic land bank portfolio, which would augur well for the longer term growth prospects.

Barring any unforeseen circumstances, the Board expects the key divisions of the Group to continue to deliver satisfactory financial results for 2012.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

The effective tax rate for the current quarter is 31.1%. The higher effective tax rate was mainly due to due to the non-deductibility of certain expenses and the losses of certain subsidiary companies which cannot be offset against profits made by other subsidiary companies.

	Current Quarter Ended 31/12/2011 RM'000	Cumulative Year To Date 31/12/2011 RM'000
Current taxation	48,851	93,184
Deferred taxation	10,272	5,650
	59,123	98,834

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/12/2011 RM'000	Cumulative Year To Date 31/12/2011 RM'000
Depreciation and amortisation	(26,252)	(90,796)
Provision for:		
Trade Receivables	(9,401)	(14,504)
Inventories	(1,730)	(4,577)
Write off:		
- Trade Receivables	(400)	(1,557)
- Inventories	(9,863)	(9,922)
- Property, plant and equipment	(6,536)	(6,536)
Impairment of property, plant and equipment	(15,214)	(15,214)
Foreign exchange gain/(loss)	935	6,983

B7 Status of Corporate Proposal Announced

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

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

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

Salient terms and conditions of the SPSB SSA

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

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

The Proposed Acquisition is yet to be completed.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	242,319	59,068	301,387
Long term borrowings ¹	1,501,897	461,096	1,962,993
	1,744,216	520,164	2,264,380

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

	Current	Non-current
<u>Secured</u>		
Denominated in US Dollar (USD'000)	-	300,000
Denominated in Singapore Dollar (SGD'000)	3,989	12,863
Denominated in Trinidad & Tobago Dollar (TTD'000)	4,470	8,940
Denominated in Chinese Renminbi (RMB'000)	89,050	65,401
Denominated in Australia Dollar (AUD'000)	1,064	34
<u>Unsecured</u>		
Denominated in Singapore Dollar (SGD'000)	2,545	143

Note:

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

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 December 2011 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) arising from Fair Value Changes for the period RM'000
Foreign currency forward contracts			
- Less than 1 year	252	3	(7,242)
Interest rate swap contracts			
- Less than 1 year	107,263	(1,374)	
- 1 year to 3 year	16,368	(182)	
- More than 3 years	-	-	
	<u>123,631</u>	<u>(1,556)</u>	(544)
Total losses on derivatives as per Note A5			<u>(7,786)</u>
Cross currency swap contracts			
- 1 year to 3 year	<u>905,120</u>	<u>33,551</u>	<u>(13,815)</u>
Total derivatives		<u>31,998</u>	<u>(21,601)</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.

Interest rate swap contracts

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

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

Cross currency swap contracts

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

B10 Changes in Material Litigation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The hearing for 6 February 2012 was vacated while the hearing for 15 and 16 February 2012 was maintained. The next hearing dates are fixed for 22, 23, 27 to 29 March 2012.

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

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

Radiant Splendour is claiming the following:-

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

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

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

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

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

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

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

Subsequently, on 6 December 2011, Radiant Splendour filed a Notice of Discontinuance with the High Court of Malaya to discontinue the actions filed under the Writ of Summons and Statement of Claim without the liberty to file afresh and without order for costs.

B11 Realised and Unrealised Profits

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

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

	31/12/2011 RM'000
Total retained profit of the Group:-	
Realised	354,016
Unrealised	
Total share of retained profits from associated companies:	
Realised	33,453
Unrealised	41,665
Total share of retained profits from Jointly Controlled Entities:	
Realised	95,578
Unrealised	-
Less: Consolidation adjustments	(153,040)
Total Group's retained profits as per consolidated accounts	<u>371,672</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

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

B13 Earnings per share

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

	Current Quarter Ended 31/12/2011 RM'000	Cumulative Year To Date 31/12/2011 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	123,786	369,714
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share (Basic) (sen)	9.58	28.60
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	123,786	369,714
Weighted Average Number of Ordinary Shares	1,292,505	1,292,505
Earnings per share (Diluted) (sen)	9.58	28.60

By Order of the Board

**Tan Kim Aun
Lee Suan Choo**

Secretaries