

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30/9/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2014 RM'000	CURRENT YEAR TO DATE 30/9/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2014 RM'000
REVENUE		951,043	1,134,007	3,052,564	3,364,356
OPERATING EXPENSES		(902,394)	(1,002,420)	(2,778,657)	(3,021,785)
OTHER OPERATING INCOME		70,063	20,358	153,727	53,017
PROFIT FROM OPERATIONS		118,712	151,945	427,634	395,588
GAIN/(LOSS) ON DERIVATIVES		4,926	(60)	2,256	66
FINANCE INCOME		42,064	11,241	74,255	33,694
FINANCE COSTS		(26,283)	(16,384)	(79,144)	(56,869)
SHARE OF PROFIT FROM ASSOCIATES		24,196	22,782	175,341	124,338
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES		7,341	15,718	45,032	64,197
PROFIT BEFORE TAX		170,956	185,242	645,374	561,014
INCOME TAX EXPENSE	B5	(31,478)	(21,833)	(100,632)	(97,133)
PROFIT FOR THE PERIOD		139,478	163,409	544,742	463,881
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT		133,309	143,698	517,757	430,219
- NON-CONTROLLING INTERESTS		6,169	19,711	26,985	33,662
		139,478	163,409	544,742	463,881
EARNINGS PER SHARE					
(i) BASIC (sen)		7.54	8.34	29.54	24.96
(ii) DILUTED (sen)		7.10	7.93	27.68	24.03

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/9/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/2014 RM'000	CURRENT YEAR TO DATE 30/9/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2014 RM'000
PROFIT FOR THE PERIOD	139,478	163,409	544,742	463,881
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	90,928	(3,736)	120,709	(20,404)
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	-	-	-	91
NET INVESTMENT HEDGE RESERVE - FAIR VALUE GAINS - FAIR VALUE OF DERIVATIVES	(11,897)		(18,823)	-
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS - FAIR VALUE OF DERIVATIVES	423,540	14,779	559,129	(6,419)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(451,005)	(29,329)	(596,985)	227
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS	51,566	(18,286)	64,030	(26,505)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	51,566	(18,286)	64,030	(26,505)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	191,044	145,123	608,772	437,376
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	181,841	124,238	582,833	401,494
- NON-CONTROLLING INTERESTS	9,203	20,885	25,939	35,882
	191,044	145,123	608,772	437,376

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2014 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 2015
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	AS AT END OF CURRENT QUARTER 30/9/2015	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2014
	RM'000	RM'000 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment, and software	1,200,713	985,180
Biological assets	1,054	1,233
Investment properties	2,659,691	2,370,420
Rock reserves	6,723	6,920
Land held for property development	545,539	535,462
Investment in associates	1,699,067	1,532,485
Investment in jointly controlled entities	1,083,048	988,928
Other investments	1,152	1,846
Derivative assets	420,506	66,329
Receivables	27,336	23,937
Goodwill	319,444	319,444
Deferred tax assets	66,942	42,670
	8,031,215	6,874,854
Current assets		
Properties development costs	1,344,563	1,518,317
Inventories	769,286	579,963
Receivables, deposits & prepayments	2,609,099	1,664,241
Cash and bank balances, and short-term investments	2,745,743	1,978,200
Tax recoverable	29,775	69,870
Derivative assets	47,870	73,671
	7,546,336	5,884,262
Assets of disposal group classified as held for sale	-	98,029
TOTAL ASSETS	15,577,551	12,857,145
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,256,333	2,118,023
Bank borrowings	2,750,553	2,132,891
Taxation	61,195	24,874
Derivative liabilities	18,823	29
	5,086,904	4,275,817
Non-current liabilities		
Long term bank borrowings	2,582,304	1,651,539
Other long term liabilities	344,261	519,406
Derivative liabilities	2,868	3,682
Deferred taxation	81,269	82,860
	3,010,702	2,257,487
Total liabilities	8,097,606	6,533,304
Equity attributable to Owners of the Parent		
Share capital	1,799,089	1,730,579
Share premium	2,775,472	2,642,213
Treasury shares	(51,703)	(29,275)
Equity contribution from non-controlling interests	51,654	51,654
Reserves	2,290,918	1,541,197
	6,865,430	5,936,368
NON-CONTROLLING INTERESTS	614,515	387,473
Total equity	7,479,945	6,323,841
TOTAL EQUITY AND LIABILITIES	15,577,551	12,857,145
Net Assets Per Share Attributable To Owners Of The Parent (RM)	3.82	3.43

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2014 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 2015
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	ATTRIBUTABLE TO OWNERS OF THE PARENT													TOTAL RESERVES	TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	NON-DISTRIBUTABLE				DISTRIBUTABLE												
	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	RESERVE OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE					
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 2015																	
At 1 January 2015	1,730,579	2,642,213	(29,275)	51,654	(1,192,040)	33,463	69,080	(4,896)	3,728	181,762	2,450,100	-	1,541,197	5,936,368	387,473	6,323,841	
Profit for the year	-	-	-	-	-	-	-	-	-	-	517,757	-	517,757	517,757	26,985	544,742	
Other comprehensive income	-	-	-	-	-	121,755	-	(56,679)	-	-	-	-	65,076	65,076	(1,046)	64,030	
Total comprehensive income	-	-	-	-	-	121,755	-	(56,679)	-	-	517,757	-	582,833	582,833	25,939	608,772	
New ESOS granted	-	-	-	-	-	-	16,748	-	-	-	-	-	16,748	16,748	-	16,748	
Issuance of ordinary shares pursuant to																	
- exercise of ESOS	37,925	88,612	-	-	-	-	(23,315)	-	-	-	-	-	(23,315)	103,222	-	103,222	
- exercise of warrants	30,585	44,647	-	-	-	-	-	-	-	-	-	-	-	75,232	-	75,232	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,681)	(16,681)	
Purchase of treasury shares during the year	-	-	(22,428)	-	-	-	-	-	-	-	-	-	-	(22,428)	-	(22,428)	
Dividends declared	-	-	-	-	-	-	-	-	-	-	(138,849)	-	(138,849)	(138,849)	-	(138,849)	
Acquisition of subsidiary (Note B7.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,393	45,393	
Shares acquired by non-controlling interest (Note B7.2)	-	-	-	-	-	-	-	-	-	-	313,220	-	313,220	313,220	213,867	527,087	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	(916)	-	(916)	(916)	(41,476)	(42,392)	
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	861	-	-	(861)	-	-	-	-	-	
At 30 September 2015	1,799,089	2,775,472	(51,703)	51,654	(1,192,040)	155,218	62,513	(61,575)	4,589	181,762	3,140,451	-	2,290,918	6,865,430	614,515	7,479,945	
PERIOD ENDED 30 SEPTEMBER 2014																	
At 1 January 2014	1,723,524	2,628,404	-	51,654	(1,192,040)	(22,541)	42,883	1,307	5,288	181,671	1,885,661	22,488	924,717	5,328,299	316,900	5,645,199	
Profit for the year	-	-	-	-	-	-	-	-	-	-	430,219	-	430,219	430,219	33,662	463,881	
Other comprehensive income	-	-	-	-	-	(22,624)	-	(6,192)	-	91	-	-	(28,725)	(28,725)	2,220	(26,505)	
Total comprehensive income	-	-	-	-	-	(22,624)	-	(6,192)	-	91	430,219	-	-	401,494	35,882	437,376	
Issuance of ordinary shares pursuant to:																	
- exercise of warrants	22	33	-	-	-	-	-	-	-	-	-	-	-	55	-	55	
- exercise of ESOS	765	1,790	-	-	-	-	(443)	-	-	-	-	-	(443)	2,112	-	2,112	
New ESOS granted	-	-	-	-	-	-	16,857	-	-	-	-	-	16,857	16,857	-	16,857	
Purchase of treasury shares	-	-	(9,876)	-	-	-	-	-	-	-	-	-	-	(9,876)	-	(9,876)	
Dividends declared	-	-	-	-	-	-	-	-	-	-	(86,176)	-	(86,176)	(86,176)	-	(86,176)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,565)	(20,565)	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,190	-	1,190	1,190	11	1,201	
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	83	83	
Issuance of redeemable preference shares to non-controlling interest by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,200	21,200	
Utilisation of furniture & fittings reserve	-	-	-	-	-	-	-	-	(133)	-	-	-	(133)	(133)	-	(133)	
Liquidation of an associate	-	-	-	-	-	-	-	-	-	-	(343)	-	(343)	(343)	-	(343)	
At 30 September 2014	1,724,311	2,630,227	(9,876)	51,654	(1,192,040)	(45,165)	59,297	(4,885)	5,155	181,762	2,230,551	22,488	855,669	5,653,479	353,511	6,006,990	

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2014 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 2015
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	FOR THE 9 MONTHS PERIOD ENDED 30/9/2015	FOR THE 9 MONTHS PERIOD ENDED 30/9/2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	645,374	561,014
Adjustments for:		
- non-cash items	(165,446)	(99,918)
- finance costs	79,144	56,869
- finance income	(74,255)	(33,694)
Operating cash flows before working capital changes	484,817	484,271
Changes in working capital	(108,677)	(155,694)
Cash flow from operations	376,140	328,577
Interest received	77,181	32,537
Dividend received from jointly controlled entities and associates	83,809	99,609
Tax refunded	25,427	11,938
Tax paid	(74,968)	(70,238)
Net cash flow from operating activities	487,589	402,423
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	3,180	8,234
Proceeds from disposal of non-current assets held for sale	126,385	-
Proceed from disposal of subsidiaries	-	20
Proceeds from disposal of equity interest to non-controlling entity	493,303	-
Acquisition of land	-	(257,261)
Acquisition of property, plant and equipment and biological assets	(245,365)	(101,136)
Acquisition of intangible assets	(5,680)	(14)
Acquisition and additional investment in subsidiaries	(44,213)	-
Acquisition of equity interest from non-controlling interest	(43,611)	1,190
Acquisition and subsequent expenditure of investment properties	(493,636)	(226,648)
Acquisition of other investment	-	(3)
Investment in associates	(73,601)	(7,802)
Advances to associates, joint ventures and joint venture partners	(498,348)	(31,457)
Investment in jointly controlled entities	(56,133)	(63,707)
Net cash flow from fund placements	(135,971)	452,467
Net cash used in investing activities	(973,690)	(226,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	1,117,435	370,973
(Repayment to)/Advances from non-controlling interests of subsidiary companies	(41)	33
Interest paid	(76,985)	(55,239)
Proceeds from issue of redeemable preference shares to non-controlling interest by subsidiary	-	21,200
Proceeds from issue of shares from exercise of warrants	75,232	55
Proceeds from issue of shares from exercise of ESOS	103,222	2,112
Repurchase of shares	(22,428)	(9,876)
Dividend paid to shareholders	(103,847)	(86,177)
Dividend paid to non-controlling interests of subsidiaries	(16,681)	(20,420)
Net cash generated from financing activities	1,075,907	222,661
NET INCREASE IN CASH AND CASH EQUIVALENTS	589,806	398,967
EFFECTS OF EXCHANGE RATE CHANGES	32,044	9,234
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,292,909	801,666
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,914,759	1,209,867
Cash and cash equivalents at end of financial period comprise the following :		
Deposits with licensed banks and other financial institutions	1,454,032	283,934
Cash at banks and on hand	587,083	1,001,423
Short-term investments	704,628	104,966
Cash and bank balances, and short-term investments	2,745,743	1,390,323
Bank overdrafts	(102,161)	(75,490)
Less: Deposit with other financial institutions with maturity of over 3 months	(24,195)	-
Less: Short-term investments	(704,628)	(104,966)
Cash and cash equivalents	1,914,759	1,209,867

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2014 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 2015.

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 2014. 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 2014.

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 2014 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 2015, as disclosed below:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards (Annual Improvements to FRSs 2011-2013 Cycle)
Amendment to FRS 2	Share-based Payment (Annual Improvements to FRSs 2010-2012 Cycle)
Amendment to FRS 3	Business Combinations (Annual Improvements to FRSs 2010-2012 Cycle)
Amendment to FRS 3	Business Combinations (Annual Improvements to FRSs 2011-2013 Cycle)
Amendment to FRS 8	Operating Segments (Annual Improvements to FRSs 2010-2012 Cycle)
Amendment to FRS 13	Fair Value Measurement (Annual Improvements to FRSs 2010-2012 Cycle)
Amendment to FRS 13	Fair Value Measurement (Annual Improvements to FRSs 2011-2013 Cycle)
Amendment to FRS 116, Amendment to FRS 138	Property, Plant & Equipment; Intangible Assets (Annual Improvements to FRSs 2010-2012 Cycle)

Amendment to FRS 124

Related Party Disclosures (Annual Improvements to FRSs 2010-2012 Cycle)

Amendment to FRS 140

Investment Property (Annual Improvements to FRSs 2011-2013 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 2015.

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 2015.

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

During the financial period ended 30 September 2015, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 37,925,441 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme;
- (b) issuance of 30,584,675 ordinary shares of RM1.00 each pursuant to the exercise of warrants; and
- (c) the repurchase of equity securities of 6,650,000 ordinary shares at an average price of RM3.37 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

During the financial period ended 30 September 2015, the following payments of dividend have been made:

- (a) RM103,847,007 was paid on 30 April 2015 as interim single tier dividend of 6% per ordinary share of RM1.00 each for the financial year ended 31 December 2014.
- (b) 175,009,901 ordinary shares of RM0.20 each in Sunway Construction Group held by the Company was distributed to entitled shareholders of the Company on 15 May 2015 by way of dividend-in-specie on the basis of 1 distribution share for every 10 existing ordinary shares of RM1.00 each as at 8 May 2015 amounting to RM35,001,980 for the financial year ended 31 December 2015.
- (c) RM463,715,096 was paid on 16 October 2015 as special dividend of 26% per ordinary share of RM1.00 each for the financial year ended 31 December 2015.
- (d) RM89,169,420 was paid on 30 October 2015 as interim dividend of 5% per ordinary share of RM1.00 each for the financial year ended 31 December 2015.

A8 Segmental Reporting

Segmental results for the financial period ended 30 September 2015 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
BY BUSINESS SEGMENTS								
REVENUE AND EXPENSES								
Total revenue	775,729	538,775	1,441,892	512,311	188,859	358,654	423,267	4,239,487
Inter-segment sales	(12)	(82,435)	(625,685)	(67,585)	(4,234)	(356,648)	(50,324)	(1,186,923)
External sales	775,717	456,340	816,207	444,726	184,625	2,006	372,943	3,052,564
Results								
Operating segment results	111,274	112,536	132,286	20,199	33,671	(21,451)	39,119	427,634
Gain on derivatives	-	-	-	-	-	2,256	-	2,256
Finance income	15,039	5,819	4,465	251	265	34,192	14,224	74,255
Finance costs	(13,571)	(89,264)	(2,973)	(4,928)	(270)	33,864	(2,002)	(79,144)
Share of results of:								
- associated companies	-	173,684	-	(1)	-	-	1,658	175,341
- jointly controlled entities	35,698	10,471	(1,137)	-	-	-	-	45,032
Profit before taxation	148,440	213,246	132,641	15,521	33,666	48,861	52,999	645,374
Taxation	(38,309)	(15,879)	(15,754)	(6,838)	(7,012)	(5,307)	(11,533)	(100,632)
Profit for the period	110,131	197,367	116,887	8,683	26,654	43,554	41,466	544,742
Non controlling interests	(15,055)	(3,024)	(9,886)	474	(180)	(368)	1,054	(26,985)
Attributable to owners of the parent	95,076	194,343	107,001	9,157	26,474	43,186	42,520	517,757

	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	2,631,652	586,105	491,505	473,130
Singapore	271,863	69,290	63,236	57,928
China	57,372	(18,353)	(18,365)	(16,266)
India	42	(1,453)	(1,485)	(1,353)
Australia	31,933	4,966	6,359	536
United Arab Emirates	-	(3,015)	(3,015)	(2,787)
Other Countries	59,702	7,834	6,507	6,569
	3,052,564	645,374	544,742	517,757

A9 Valuation of Property, Plant and Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A10 Material events

There were no material events subsequent to the current quarter ended 30 September 2015.

A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 30 September 2015.

A12 Contingent Liabilities and Assets

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

	30/9/2015 RM'000	31/12/2014 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,297,917</u>	<u>2,315,922</u>

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

A13 Commitments

(a) Capital commitment not provided for in the financial year as at 30 September 2015 is as follows:

	30/9/2015 RM'000	31/12/2014 RM'000
Amount authorised and contracted for	96,766	74,935
Amount authorised but not contracted for	<u>238,028</u>	<u>365,816</u>
	<u>334,794</u>	<u>440,751</u>

(b) Operating lease commitment not provided for in the financial year as at 30 September 2015 is as follows:

	30/9/2015 RM'000	31/12/2014 RM'000
Future minimum lease payment:		
- not later than 1 year	79,830	78,658
- later than 1 year and not later than 5 years	305,914	289,583
- later than 5 years	<u>101,002</u>	<u>110,003</u>
	<u>486,746</u>	<u>478,244</u>
Future minimum lease receipts:		
- not later than 1 year	56,209	56,406
- later than 1 year and not later than 5 years	236,082	196,737
- later than 5 years	<u>290,805</u>	<u>285,542</u>
	<u>583,096</u>	<u>538,685</u>

B1 Review of PerformanceFor the quarter

The Group recorded revenue of RM951.0 million and profit before tax of RM171.0 million for the current quarter ended 30 September 2015, compared to revenue of RM1,134.0 million and profit before tax of RM185.2 million in the corresponding quarter of the previous financial year.

The lower Group's revenue was mainly due to the higher elimination of intra-group construction revenue which increased by RM289.0 million in the current quarter. The lower Group's profit was due to the weaker profit contribution from the property development and trading and manufacturing segments, which offset the better performance recorded by the other business segments.

The property development segment reported revenue of RM270.9 million and profit before tax of RM38.5 million in the current quarter compared to revenue of RM178.0 million and profit before tax of RM99.2 million in the corresponding quarter of the previous financial year. The performance for the current quarter was moderated by the lower progress billings from the local projects and lower profit contribution from the Singapore property projects. In comparison, the higher profit recorded in the corresponding quarter of the previous financial year was mainly boosted by the lower common infrastructure costs allocated to the property development component within some of the integrated projects developed by the Group.

The property investment segment reported revenue of RM172.2 million and profit before tax of RM37.3 million in the current quarter compared to revenue of RM151.8 million and profit before tax of RM31.7 million in the corresponding quarter of the previous financial year. The better performance for the current quarter was due to higher rental income contribution from better occupancy rate of Sunway Pinnacle and the new academic block which was purpose-built for Sunway University. In addition, the other operations also recorded slightly higher overall profit contribution.

The construction segment recorded revenue of RM196.8 million and profit before tax of RM24.1 million in the current quarter compared to revenue of RM488.2 million and profit before tax of RM17.6 million in the corresponding quarter of the previous financial year. The lower revenue was mainly due to the higher elimination of intra-group construction revenue mentioned above. However, the profit for the current quarter was higher due to better profit recognition from the local infrastructure projects.

The trading and manufacturing segment recorded revenue of RM130.5 million and profit before tax of RM3.5 million in the current quarter compared to revenue of RM159.4 million and profit before tax of RM10.4 million in the corresponding quarter of the previous financial year. The performance of this segment was impacted by the post-GST (Goods and Services Tax) adjustment environment, the weaker local currency and the challenging overseas operations due to the slowdown in the oil and gas sector as well as the mining sector.

The quarry segment recorded revenue of RM66.8 million and profit before tax of RM10.4 million in the current quarter compared to revenue of RM56.3 million and profit before tax of RM6.8 million in the corresponding quarter of the previous financial year. The better performance for the current quarter was due to the increase of sales volume of premix which was underpinned by higher road maintenance works awarded by local councils.

The other segments recorded revenue of RM113.8 million and profit before tax of RM57.2 million in the current quarter compared to revenue of RM100.3 million and profit before tax of RM19.5 million in the corresponding quarter of the previous financial year. The higher profit of the current quarter was due to improved performance by the healthcare and building materials divisions and higher contribution from the Group's treasury operations.

For the 9 months period

The Group recorded revenue of RM3,052.6 million and profit before tax of RM645.4 million for the current 9 months period ended 30 September 2015 compared to revenue of RM3,364.3 million and profit before tax of RM561.0 million for the corresponding 9 months period ended 30 September 2014. The overall performance for the current period was better despite the lower revenue recorded. The lower revenue was mainly due to the higher elimination of intra-group construction revenue. However, profit for the current period was higher and it was mainly due to capital gains of RM22.9 million from the sale of two properties in the first quarter and share of higher fair value gains recorded by Sunway REIT. The operating performance of the business units was also generally better except for the property development and trading and manufacturing segments.

The property development segment reported revenue of RM775.7 million and profit before tax of RM148.4 million for the current 9 months period compared to revenue of RM702.0 million and profit before tax of RM243.8 million in the corresponding 9 months period ended 30 September 2014. The lower performance for the current period was mainly due to the lower profit recognition from the local projects as well as lower profit contribution from the Singapore property projects.

The property investment segment reported revenue of RM456.3 million and profit before tax of RM213.2 million for the current 9 months period compared to revenue of RM434.0 million and profit before tax of RM143.7 million in the corresponding 9 months period ended 30 September 2014. The better performance for the current period was mainly due to the capital gains and share of higher fair value gains mentioned above.

The construction segment reported revenue of RM816.2 million and profit before tax of RM132.6 million for the current 9 months period compared to revenue of RM1,273.0 million and profit before tax of RM81.7 million in the corresponding 9 months period ended 30 September 2014. The lower revenue was due to higher intra-group revenue elimination as compared to the corresponding 9 months period ended 30 September 2014. The higher profit for the current period was mainly due to better performance from the local construction projects.

The trading and manufacturing segment reported revenue of RM444.7 million and profit before tax of RM15.5 million for the current 9 months period compared to revenue of RM470.5 million and profit before tax of RM28.6 million in the corresponding 9 months period ended 30 September 2014. The performance of this segment was lower due to the negative post-GST adjustments and weaker local currency which impacted the local operations, and the weaker contribution from the overseas units.

The quarry segment reported revenue of RM184.6 million and profit before tax of RM33.7 million for the current 9 months period compared to revenue of RM162.2 million and profit before tax of RM21.0 million in the corresponding 9 months period ended 30 September 2014. This segment continued to sustain its commendable performance due to the strong local demand for aggregates and premix. The better profit was also boosted by the reversal of the provision made for SQI (Caribbean) which ceased operation last year.

Other segments reported revenue of RM375.1 million and profit before tax of RM102.0 million for the current 9 months period compared to revenue of RM322.6 million and profit before tax of RM42.2 million in the corresponding 9 months period ended 30 September 2014. The better performance for the current period was due to improved contribution from the healthcare and building materials divisions, and higher contribution from the Group's treasury operations.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM951.0 million and profit before tax of RM171.0 million for the current quarter ended 30 September 2015 compared to revenue of RM1,041.5 million and profit before tax of RM280.9 million achieved in the preceding quarter. The lower Group's revenue for the current quarter was mainly due to the lower revenue recorded by the property development and construction segments. In terms of the Group's profit comparison, the preceding quarter's profit was boosted by the share of fair value gains of RM111 million recorded by Sunway REIT. As with regard to the operation performance, the lower profit contribution from property development and construction segments in the current quarter was mitigated by the better performance from the other business units.

The property development segment recorded revenue of RM270.9 million and profit before tax of RM38.5 million in the current quarter compared to revenue of RM324.2 million and profit before tax of RM53.1 million in the preceding quarter. The lower performance of the current quarter was due to lower progress billings from the local projects and lower profit contribution from the Singapore property projects.

The property investment segment recorded revenue of RM172.2 million and profit before tax of RM37.3 million in the current quarter compared to revenue of RM144.8 million and profit before tax of RM132.9 million in the preceding quarter. As mentioned earlier, the preceding quarter's profit was boosted by the share of high fair value gains recorded by Sunway REIT. In terms of operating performance, most of the business units in this segment performed better.

The construction segment recorded revenue of RM196.8 million and profit before tax of RM24.1 million in the current quarter compared to revenue of RM244.1 million and profit before tax of RM56.3 million in the preceding quarter. The lower performance for the current quarter was due to lower progress billings and lower profit recognition from the local construction projects.

The trading and manufacturing segment recorded revenue of RM130.5 million and profit before tax of RM3.5 million in the current quarter compared to revenue of RM122.3 million and loss before tax of RM0.7 million in the preceding quarter. The better performance for the current quarter was contributed by the local operations which recorded higher revenue following the post-GST adjustments which curtailed sales in the preceding quarter. However, the overseas operations continued to remain challenging.

The quarry segment recorded revenue of RM66.8 million and profit before tax of RM10.4 million in the current quarter compared to revenue of RM64.1 million and profit before tax of RM15.5 million in the preceding quarter. As mentioned previously, the preceding quarter's profit was boosted by the reversal of the provision made for SQI (Caribbean). In terms of operation performance, the current quarter's results are comparable to the preceding quarter.

The other segments recorded revenue of RM113.8 million and profit before tax of RM57.2 million in the current quarter compared to revenue of RM142.0 million and profit before tax of RM23.8 million in the preceding quarter. The better performance for the current quarter was due to improved contribution from the healthcare and building materials divisions, and higher contribution from the Group's treasury operations.

B3 Prospects

According to Bank Negara, the Malaysia economy expanded by 4.7% in the third quarter of 2015. It is lower than the 4.9% in the second quarter and 5.7% in the first quarter of the year. The downward economic trend is expected to continue in the short to medium term due to the slow growth momentum recorded by the global economy.

In view of the uncertain macro-economic outlook, the Group will adopt a cautious business strategy. However, it will continue to seek out synergistic acquisitions which will augur well for the Group's core business.

Although the local property market has turned more cautious, the Group was able to partly offset the financial impact from the slower property sales due to its diversified business portfolio. Barring any unforeseen circumstances, the Group's performance for the fourth quarter is expected to be satisfactory.

B4 Variance of Actual Profit from Profit Forecast

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

B5 Taxation

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

	Current Quarter Ended 30/9/2015 RM'000	Cumulative Year To Date 30/9/2015 RM'000
Current taxation	(65,060)	(132,126)
Deferred taxation	33,582	31,494
	<u>(31,478)</u>	<u>(100,632)</u>

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 30/9/2015 RM'000	Cumulative Year To Date 30/9/2015 RM'000
Depreciation and amortisation	(25,538)	(84,980)
Reversal/(Provision) of impairment for:		
- Trade receivables	-	3,008
Write off:		
- Inventories	(216)	(216)
Net gain on disposal of:		
- property, plant and equipment	101	822
- asset held for resale ¹	221	23,157
Net foreign exchange gain/(loss):		
- Others	118,081	118,708
- Unrealised for hedged items	(451,005)	(596,985)
Cash flow hedge reserve recycled to profit or loss	451,005	596,985
Fair value of ESOS option	(3,929)	(16,748)
Listing expenses	(14,949)	(16,149)
Share of fair value gain from associate	-	110,798
Gain/(Loss) on derivatives	4,926	2,256

¹ During the period ended 30 September 2015, the Group recognised RM22,947,000 of profits upon completion of the disposal of the Group's interest in the land and building of Sunway Hotel Georgetown and Wisma Sunway to Sunway Real Investment Trust.

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 Proposed disposal of equity interest of Sunway GD Foundation Engineering Co. Ltd. ("Sunway GD"), by Sunway Global Limited ("Sunway Global")

On 12 July 2012, Sunway Global a 98.75% owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB") which in turn is a wholly-owned subsidiary of the Company, had entered into an Equity Sale and Purchase Agreement with Mr Yu De Mao ("Purchaser") for the proposed disposal of Sunway Global's entire 60% equity interest in Sunway GD as well as its group of subsidiaries ("Proposed Disposal"), to the Purchaser for a nominal consideration after the Purchaser has discharged the liabilities of Sunway GD of RMB12,071,872 and HKD35,850,430 in 6 instalments and all accrued interest over the liabilities up to the date of payment of each of the instalments ("Liabilities").

The Proposed Disposal is conditional upon, amongst others, the Purchaser having discharge the Liabilities within a period of 22 months from the payment of the first instalment of the liabilities (i.e. 7 days from the date of signing the Equity Sale and Purchase Agreement). Upon completion of the Proposed Disposal, Sunway GD and its group of subsidiaries will cease to be subsidiaries of the Company.

Sunway GD was incorporated in Macau on 4 November 2005 with a total registered capital of MOP\$31,000,000. The principal activities of Sunway GD is to carry out foundation and construction works.

The Proposed Disposal is not expected to have any material effect on the earnings per share and net assets per share of the Company, and it has no effect on the Company's share capital and substantial shareholders' shareholding.

The Proposed Disposal does not require approval from the shareholders of the Company.

The Proposed Disposal of equity interest has not been completed as at the date of this report.

B7.2 Listing of Sunway Construction Group Berhad ("SCG"), an indirect wholly-owned subsidiary of the Group on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

On 19 September 2014, the Group announced the proposed listing of its construction division which is currently held under its indirect wholly-owned subsidiary, Sunway Construction Sdn Bhd ("SunCon") on the Main Market of Bursa Securities. A new company, SCG, has been incorporated by Sunway Holdings Sdn Bhd, a wholly-owned subsidiary of the Company ("SunHoldings"), to be the listing vehicle to acquire the entire shareholdings in SunCon (including its subsidiaries, jointly controlled entities, unincorporated joint ventures and unincorporated consortium) (collectively, the "SunCon Group").

In conjunction with the proposed listing of SCG, the following will be undertaken:

- (a) proposed disposal of the entire issued and paid-up share capital of SunCon (including its subsidiaries, jointly controlled entities, unincorporated joint ventures and unincorporated consortium) by SunHoldings to SCG ("Proposed Transfer of SunCon").
- (b) proposed offering of up to 573.4 million ordinary shares of RM0.20 each in SCG ("SCG Shares") comprising a proposed distribution of at least 172.4 million SCG Shares to the entitled shareholders of the Company and a proposed offer for sale of up to 401.0 million SCG Shares to the retail and institutional investors, subject to the over-allotment option and clawback and reallocation provisions ("Proposed Offering"); and
- (c) proposed listing of and quotation for the entire issued and paid-up share capital of SCG on the Main Market of Bursa Securities ("Proposed Listing").

On 7 November 2014, SCG and SunHoldings have entered into a conditional share sale agreement ("SunCon SSA") setting out the terms and conditions of the Proposed Transfer of SunCon. SunHoldings will sell and transfer its entire 193,954,000 ordinary shares of RM1.00 each in SunCon to SCG at an aggregate sale and purchase consideration of RM258,580,000, which will be satisfied entirely via the issuance of 1,292,900,000 new SCG Shares at an issue price of RM0.20 per SCG Share.

On 12 November 2014, the Group announced that the issued and paid-up share capital of the Company (excluding treasury shares) has changed resulting in the number of SCG Shares being offered under the Proposed Offering to be revised.

The revised number of SCG Shares being offered under the Proposed Offering has been computed based on the issued and paid-up share capital of the Company as at 30 September 2014 and takes into consideration, among others, the following:

- (a) number of new ordinary shares of RM1.00 each in the Company ("Sunway Shares") to be allotted and issued pursuant to the exercise of the options granted under the Employees' Share Option Scheme and exercise of the Warrants 2011/2016 of the Company; and
- (b) maximum number Sunway Shares which Sunway is authorised by its shareholders to buy back (i.e. up to 10% of the issued and paid-up share capital of Sunway).

On 18 November 2014, SCG had submitted the following applications to the relevant authorities:

- (i) the Securities Commission ("SC") for the Proposed Transfer of SunCon, Proposed Offering and Proposed Listing; and
- (ii) the SC (Equity Compliance Unit) under the equity requirement for public companies for the Proposed Offering and Proposed Listing.

On 9 February 2015, SCG announced that SC had, vide its letter dated 5 February 2015 (which was received on 6 February 2015), approved the Proposed Listing pursuant to Subsection 214(1) of the Capital Markets and Services Act 2007, subject to the following conditions:

- (i) SCG to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Proposed Listing;
- (ii) Prior to the registration of the prospectus, SCG to:
 - (a) confirm and demonstrate that it has positive net cash flow from operating activities for the financial year ended 31 December 2014;
 - (b) appoint additional independent director(s) so that the board composition comprises majority of independent directors;
 - (c) ensure that all trade debts exceeding normal credit period and all non-trade debts owing by the interested persons (except for amount owing by Sunway Treasury Sdn Bhd) are settled; and
 - (d) confirm and demonstrate that it is independent from the Company and other corporations within the Group in terms of its operations (including purchases and sales of goods, management, management policies and finance); and
- (iii) SCG to allocate shares equivalent to at least 12.5% of its enlarged issued and paid-up share capital at the point of listing to Bumiputra investors. This includes the shares offered under the balloted public offer portion, of which 50% are to be offered to Bumiputra investors.

The SC had also vide the abovementioned letter, approved the equity requirement for public companies application and granted its approval-in-principle for the registration of SCG's prospectus.

SCG had on 6 March 2015, submitted the initial listing application to Bursa Securities in relation to the admission of SCG to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of SCG on the Main Market of Bursa Securities.

Bursa Securities had, vide its letter dated 6 April 2015, approved the admission to the Official List and the listing of and quotation for the entire enlarged issued and paid-up share capital of SCG of 1,292,900,010 ordinary shares of RM0.20 each in SCG on the "Construction" sector of the Main Market of Bursa Securities.

SCG had on 26 February 2015, appointed Dato' Ir Goh Chye Koon, who is a Senior Independent Non-Executive Director of SCG as the new Chairman of SCG in place of Dato' Chew Chee Kin. Following the change of Chairman of the Board of SCG from a non-independent director to an independent director, RHB Investment Bank on behalf of SCG, sought approval from the SC on 20 March 2015 for a revision of one of the conditions imposed by the SC in its approval letter dated 5 February 2015 for the proposed listing of SCG. In the approval letter, SCG was required to appoint additional independent director(s) so that the board composition comprises majority of independent director prior to the registration of the prospectus for the Proposed Offering and the Proposed Listing.

SC had, vide its letter dated 6 April 2015, approved the revision to the abovementioned condition on the basis that Dato' Ir Goh Chye Koon, who is currently a Senior Independent Non-Executive Director of SCG, be appointed as the new Chairman of SCG in lieu of the appointment of additional independent directors.

The Company had on 20 April 2015, obtained its shareholders' approval on the following:-

- (i) proposed distribution of at least 155,966,700 ordinary shares of RM0.20 each in SCG ("Distribution Shares") to be held by the Company to its entitled shareholders by way of dividend-in-specie on the basis of 1 distribution share for every 10 existing ordinary shares of RM1 each held in the Company as at 5.00 p.m. on an entitlement date to be determined later ("Distribution");
- (ii) proposed offer for sale of up to 415,264,600 ordinary shares of RM0.20 each in SCG ("OFS Shares") held by SHSB, in the following manner:
 - (a) institutional offering of up to 344,155,100 OFS Shares to Malaysian and foreign institutional and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry at the institutional price to be determined by way of bookbuilding; and
 - (b) retail offering of 71,109,500 OFS Shares to the eligible directors and employees of SCG and its subsidiaries and our company and the Malaysian public; and
- (iii) Proposed Listing of SCG on the main market of Bursa Securities.

The reference price of the Sunway Shares had been adjusted for the Distribution on 6 May 2015, being the ex-date of the Entitlement Date.

On 8 May 2015, SunCon SSA became unconditional and following thereto, the Proposed Transfer of SunCon was completed on 15 May 2015 in accordance with the terms of the SunCon SSA.

On 28 July 2015, the listing of SCG was completed following the listing of and quotation for the entire issued and paid-up share capital of SCG of 1,292,900,010 ordinary shares of RM0.20 each in SCG on the Main Market of Bursa Securities.

B7.3 Dividend in specie

On 22 April 2015, the Group announced the distribution of ordinary shares of RM0.20 each in SCG ("Distribution Shares") to be held by the Company to the entitled shareholders of the Company by way of dividend-in-specie on a basis of 1 distribution share for every 10 existing ordinary shares of RM1.00 each held in Sunway as at 5pm on 8 May 2015.

The Distribution Shares will be distributed free from encumbrances. Any fractional entitlements will be disregarded and will be dealt with in such manner as the Board of Directors of the Company at its discretion deems expedient, in the best interest of the Company.

Barring unforeseen circumstances, the Company intends to credit the unlisted Distribution Shares into the central depository system accounts of the entitled shareholders of the Company ("Entitled Shareholders") pursuant to the Distribution on 5 June 2015, which is within 1 month from the entitlement date as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Entitled Shareholders will only be able to trade the Distribution Shares on Bursa Securities commencing from the completion of the proposed listing of and quotation for the entire issued and paid-up share capital of SCG on the Main Market of Bursa Securities.

The Distribution Shares was distributed on 5 June 2015.

B7.4 Share Sale Agreement between Sunway Holdings Sdn. Bhd. ("SHSB") and Khoo Ah Thim @ Khoo Chai Thiam, Khoo Chai Ee, Khoo Chai Heng, Khoo Chai Kiat, Khoo Chai Pek, Lee Bang Sing, Peng Gai Hock, Soh Tian Song and Toh Soon Seng (collectively, "Winstar Vendors")

On 9 April 2015, SHSB, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("Winstar SSA") with Winstar Vendors for the acquisition of 6,717,472 ordinary shares of RM1 each, representing 100% of the total issued and paid-up share capital of Winstar Trading Sdn. Bhd. ("WTSB") at an estimated purchase consideration of approximately RM130,953,294 ("the Proposed Winstar Acquisition").

The estimated purchase consideration for the Proposed Winstar Acquisition was arrived at based on aggregate net asset value (excluding minority interests) ("NAV") of WTSB and its group of subsidiaries ("WTSB Group") as at 31 December 2013 together with goodwill ("Pre-Adjustment Purchase Consideration"). The amount of the purchase consideration is subject to adjustments and will be payable by SHSB in 3 tranches as follows:

- (i) On the completion date of the first tranche, SHSB shall acquire 60% of the total issued and paid-up share capital of WTSB by paying part of the consideration amounting to RM78,571,972.50 ("First Tranche Consideration") or the adjusted first tranche consideration, as the case may be, which shall be computed in the following manner:
 - (a) In the event the NAV of WTSB Group is less than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be a corresponding downwards adjustment of the First Tranche Consideration; and
 - (b) In the event the NAV of WTSB Group is greater than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be no adjustment in the First Tranche Consideration.

The completion date of the first tranche shall mean the business day falling 45 days after the Winstar SSA becomes unconditional or such other date as may be agreed by the parties.

- (ii) On the completion date of the second tranche, SHSB shall acquire another 20% of the total issued and paid-up share capital of WTSB by paying an amount equivalent to 20% of 5 times the average EBITDA of WTSB Group as recorded in its audited consolidated financial statements for the 2 financial years ending 31 December immediately preceding the second tranche completion date.

The completion date of the second tranche shall mean the second anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

- (iii) On the completion date of the third tranche, SHSB shall acquire the remaining 20% of the total issued and paid-up share capital of WTSB by paying an amount equivalent to 20% of 5 times the average EBITDA of WTSB Group as recorded in its audited consolidated financial statements for the 2 financial years ending 31 December immediately preceding the third tranche completion date.

The completion date of the third tranche shall mean the third anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

Upon the completion of the Proposed Winstar Acquisition, WTSB Group will become subsidiaries of SHSB.

Under the Winstar SSA, the Winstar Vendors have jointly and severally guaranteed that WTSB Group will achieve profit after tax ("PAT") of RM15.0 million per annum ("Profit Guarantee") for the financial years ending 31 December 2015, 2016 and 2017, failing which Winstar Vendors will pay SHSB an amount equivalent to, the difference between the Profit Guarantee and actual PAT achieved for the respective financial year, multiplied by the shareholding of SHSB in WTSB in the respective financial year.

On 15 September 2015, SHSB entered into a Second Supplemental Agreement in respect of the Winstar SSA with the Winstar Vendors for the purposes of inter alia:-

- (a) providing for a variation to the number of shares to be acquired by SHSB whereby SHSB shall acquire 80% of the issued and paid-up share capital of WTSB ("Sale Shares"), instead of the entire issued and paid-up share capital of WTSB and accordingly, to incorporate consequential amendments to the purchase consideration, the quantum of the Sale Shares to be acquired by SHSB and the manner of payment of the purchase consideration;

- (b) incorporating a call option to be granted by the Winstar Vendors to SHSB where SHSB may exercise the call option to acquire the remaining 20% of the issued and paid-up share capital of WTSB under certain events for a period of 3 years and 1 month following the completion of the third tranche of the Sale Shares in accordance with the terms and conditions of the Winstar SSA;
- (c) incorporating a put option to be granted by SHSB to the Winstar Vendors where the Winstar Vendors may require SHSB to acquire the remaining 20% of the issued and paid-up share capital of WTSB for a period of 1 month after the third anniversary of the completion of the third tranche of the Sale Shares; and
- (d) incorporating 6 dormant subsidiaries of WTSB, namely I Star Electrical Sdn Bhd, The Venue International Sdn Bhd, Weld Star Sdn Bhd, Aptstar Sdn Bhd, McStar Sdn Bhd and North Star Marketing Sdn Bhd as part of the subsidiaries of WTSB which are to be acquired by SHSB as part of WTSB group of subsidiaries ("WTSB Group").

The estimated amended purchase consideration for the Sale Shares of RM104,762,635 was arrived at based on 80% of the aggregate net asset value (excluding minority interests) of WTSB Group as at 31 December 2013 of RM125,953,294 together with goodwill. The amount of the purchase consideration for each of the three tranches for completion are subject to adjustments that will be payable by SHSB for the Sale Shares.

The adjusted First Tranche Consideration has been determined to be RM76,465,130 based on the completion management accounts provided as at 30 June 2015. The shareholding to be acquired by SHSB for the second tranche and third tranche are revised to 10% instead of 20%, the consideration of which shall be determined based on the future profitability of WTSB Group.

The first tranche of the Sale Shares comprising 60% of the total issued and paid-up share capital of WTSB was completed on 18 September 2015. Consequently, WTSB and its subsidiaries have become subsidiaries of SHSB.

B7.5 Share Sale Agreement between Sunway Holdings Sdn. Bhd. ("SHSB") and Lim Poh Lo, Lau Chor Geok, Lim Hwee Guan, Khoo Chai Ee, Khoo Chai Pek and Peng Gai Hock (collectively, "PND Vendors")

On 9 April 2015, SHSB, a wholly-owned subsidiary of the Company entered into a Share Sale Agreement ("PND SSA") with PND Vendors for the acquisition of 500,000 ordinary shares of S\$1 each, representing 100% of the total issued and paid-up share capital of PND Hardware & Trading Pte Ltd ("PND") at an estimated purchase consideration of approximately S\$2,567,192 ("the Proposed PND Acquisition").

The estimated purchase consideration for the Proposed PND Acquisition was arrived at based on net asset value (excluding minority interests) ("NAV") of PND as at 31 December 2013 together with goodwill ("Pre-Adjustment Purchase Consideration"). The amount of the purchase consideration is subject to adjustments and will be payable by SHSB in 3 tranches as follows:

- (i) On the completion date of the first tranche, SHSB shall acquire 60% of the total issued and paid-up share capital of PND by paying part of the consideration amounting to S\$1,540,315.20 ("First Tranche Consideration") or the adjusted first tranche consideration, as the case may be, which shall be computed in the following manner:
 - (a) In the event the NAV of PND is less than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be a corresponding downwards adjustment of the First Tranche Consideration; and
 - (b) In the event the NAV of PND is greater than the Pre-Adjustment Purchase Consideration after deduction of the goodwill, there shall be no adjustment in the First Tranche Consideration.

The completion date of the first tranche shall mean the business day falling 45 days after the PND SSA becomes unconditional or such other date as may be agreed by the parties.

- (ii) On the completion date of the second tranche, SHSB shall acquire another 20% of the total issued and paid-up share capital of PND by paying an amount equivalent to 20% of 5 times the average EBITDA of PND as recorded in its audited financial statements for the 2 financial years ending 31 December immediately preceding the second tranche completion date.

The completion date of the second tranche shall mean the second anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

- (iii) On the completion date of the third tranche, SHSB shall acquire the remaining 20% of the total issued and paid-up share capital of PND by paying an amount equivalent to 20% of 5 times the average EBITDA of PND as recorded in its audited financial statements for the 2 financial years ending 31 December immediately preceding the third tranche completion date.

The completion date of the third tranche shall mean the third anniversary of the first tranche completion date or such other date as may be agreed upon by the parties.

Upon the completion of the Proposed PND Acquisition, PND will become a subsidiary of SHSB.

Under the PND SSA, the PND Vendors have jointly and severally guaranteed that PND will achieve profit after tax ("PAT") of S\$250,000 per annum ("Profit Guarantee") for the financial years ending 31 December 2015, 2016 and 2017, failing which PND Vendors will pay SHSB an amount equivalent to, the difference between the Profit Guarantee and actual PAT achieved for the respective financial year, multiplied by the shareholding of SHSB in PND in the respective financial year.

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

B7.6 Share Sale and Purchase Agreement between Sunway Dimension Stones Sdn Bhd (a subsidiary of the Company) and Kelana Resorts Sdn Bhd ("KRSB") and Sale and Purchase Agreement between Sunway Dimension Stones Sdn Bhd and Viva Variasi Sdn Bhd (a wholly-owned subsidiary of KRSB)

Sunway Dimension Stones Sdn Bhd, ("SDSSB"), a wholly-owned subsidiary of SHSB which in turn is a wholly-owned subsidiary of the Company had on 11 May 2015, entered into the following agreements:

- (a) a Share Sale and Purchase Agreement ("SSPA") with Kelana Resorts Sdn Bhd ("KRSB") to acquire 293,653 ordinary shares of RM1 each, representing 100% of the issued and paid-up share capital of Cleaver Fortune Sdn Bhd ("CFSB") from KRSB at a purchase consideration of RM282,636,030 ("Proposed Share Acquisition") free from all encumbrances, charges and/or liens on the basis that CFSB is the beneficial owner of the following 4 plots of leasehold land measuring approximately 731,634 square feet:

- (i) PN 92838 Lot No. 72241 Seksyen 40 (approximately 722,689 square feet) ("Lot 72241");
- (ii) H.S.(D) 238244 PT No. 194 (approximately 2,379 square feet) ("PT No. 194");
- (iii) H.S.(D) 238243 PT No. 193 (approximately 797 square feet); and
- (iv) H.S.(D) 240048 PT No. 215 (approximately 5,769 square feet),

all in Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor ("Land 1")

- (b) a Sale and Purchase Agreement ("SPA") with Viva Variasi Sdn Bhd ("Viva"), a wholly-owned subsidiary of KRSB, for the acquisition of a freehold land held under H.S. (D) 63419, PT 252, Mukim Damansara, Daerah Petaling, Negeri Selangor measuring approximately 8,708 square feet ("Land 2") on an as is where is basis, free from all encumbrances, charges and/or liens for a total purchase consideration of RM3,363,970/- ("Proposed Property Acquisition").

Lot 72241, PT No. 194 and Land 2 are adjacent to each other.

Salient terms of the SSPA includes, inter-alia, the following:

- (a) Pursuant to the SSPA, SDSSB will acquire 293,653 ordinary shares of RM1 each, representing 100% equity interest in the share capital of CFSB from KRSB at a purchase consideration of RM282,636,030 free from all encumbrances, charges and/or liens on the basis that CFSB is the beneficial owner of Land 1.
- (b) The Proposed Share Acquisition is expected to be completed within 6 months from the date of the SSPA ("Completion Period") and shall be automatically extended by a further period of 1 month in the event the balance purchase price of 90% is not paid on or before the expiry of the Completion Period.
- (c) Upon the completion of the Proposed Share Acquisition, CFSB will become a wholly-owned subsidiary of SDSSB.

Salient terms of the SPA includes, inter-alia, the following:

- (a) SDSSB has entered into the SPA with Viva to acquire Land 2 at a total purchase consideration of RM3,363,970.
- (b) The SPA shall become unconditional when the State Authority consent for transfer of Land 2 is obtained by Viva which is expected to be within 4 months from the date of the SPA ("Unconditional Date") while the completion of the SPA shall be within 6 months from the Unconditional Date ("Completion Period"). In the event the balance purchase price of 90% is not paid on or before the expiry of the Completion Period, the Completion Period shall be automatically extended by a further period of 1 month.

The Proposed Share Acquisition by SDSSB was completed on 9 November 2015. Consequently, CFSB has become a wholly-owned subsidiary of SDSSB.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2015 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings:			
- Current	884,568	1,865,985	2,750,553
- Non-current	2,522,304	60,000	2,582,304
	3,406,872	1,925,985	5,332,857
- Conventional	2,971,693	1,925,985	4,897,678
- Islamic	435,179	-	435,179
	3,406,872	1,925,985	5,332,857

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

Secured	Foreign currency		RM'000	
	Current	Non-current	Current	Non-current
US Dollar (USD'000) *	85,000	446,000	378,080	1,983,808
Singapore Dollar (SGD'000) #	80	90,002	252	281,266
Chinese Renminbi (RMB'000) **	84,791	-	59,311	-
Australia Dollar (AUD'000) **	572	5	1,788	17
			439,431	2,265,091

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.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 30 September 2015 were as follows:

Type of Derivatives	Contract/ Notional RM'000	Fair Value RM'000	Gains/(Losses) for the period RM'000	Cash Flow Hedge Reserve RM'000
Foreign currency forward contracts				
- Less than 1 year	123,396	(12,024)	768	(12,840)
- 1 year to 3 years	29,790	(5,989)	(6)	(5,983)
Interest rate swap contracts				
- Less than 1 year *	1,842	-	3	
- 1 year to 3 years	650,000	2,339	1,491	
Cross currency swap contracts #				
- Less than 1 year	617,945	80,476		(9,627)
- 1 year to 5 years	1,353,369	381,883		(9,406)
Total derivatives		446,685	2,256	(37,856)

* Includes a contract which has expired during the period.

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

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.

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.

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 RM53 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 RM46 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:

	30/9/2015 RM'000	31/12/2014 RM'000
Total retained profit of the Group:-		
Realised	2,780,035	1,308,931
Unrealised	(220,939)	116,828
Total share of retained profits from associated companies:		
Realised	502,328	326,988
Unrealised	494,293	494,293
Total share of retained profits from Jointly Controlled Entities:		
Realised	518,164	473,132
Unrealised	108,371	108,370
Less: Consolidation adjustments	(1,041,801)	(378,442)
Total Group's retained profits as per consolidated accounts	3,140,451	2,450,100

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 31 September 2015.

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 30/9/2015 RM'000	Cumulative Year To Date 30/9/2015 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	133,309	517,757
Weighted Average Number of Ordinary Shares	1,768,171	1,752,751
Earnings per share (Basic) (sen)	7.54	29.54
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	133,309	517,757
Weighted Average Number of Ordinary Shares	1,877,165	1,870,469
Earnings per share (Diluted) (sen)	7.10	27.68

By Order of the Board

**Tan Kim Aun
Chin Lee Chin
Secretaries**