

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2014

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/3/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2013	CURRENT YEAR TO DATE 31/3/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2013
		RM'000	RM'000	RM'000	RM'000
REVENUE		1,025,728	1,021,032	1,025,728	1,021,032
OPERATING EXPENSES		(932,572)	(946,775)	(932,572)	(946,775)
OTHER OPERATING INCOME		16,448	11,797	16,448	11,797
PROFIT FROM OPERATIONS		109,604	86,054	109,604	86,054
(LOSS)/GAIN ON DERIVATIVES		(30)	256	(30)	256
FINANCE INCOME		10,182	10,512	10,182	10,512
FINANCE COSTS		(18,002)	(22,172)	(18,002)	(22,172)
SHARE OF PROFIT FROM ASSOCIATES		20,102	18,698	20,102	18,698
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES		20,344	29,173	20,344	29,173
PROFIT BEFORE TAX		142,200	122,521	142,200	122,521
INCOME TAX EXPENSE	B5	(30,443)	(26,342)	(30,443)	(26,342)
PROFIT FOR THE PERIOD		111,757	96,179	111,757	96,179
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT		103,990	90,555	103,990	90,555
- NON-CONTROLLING INTERESTS		7,767	5,624	7,767	5,624
		111,757	96,179	111,757	96,179
EARNINGS PER SHARE					
(i) BASIC (sen)		6.03	6.17	6.03	6.17
(ii) DILUTED (sen)		5.91	6.17	5.91	6.17

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/3/2014	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2013	CURRENT YEAR TO DATE 31/3/2014	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2013
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	111,757	96,179	111,757	96,179
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(7,887)	381	(7,887)	381
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	(9,312)	11,996	(9,312)	11,996
- AMOUNT RECYCLED TO PROFIT OR LOSS	11,053	(10,118)	11,053	(10,118)
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT AND LOSS IN SUBSEQUENT PERIODS, REPRESENTING OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	(6,146)	2,259	(6,146)	2,259
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	105,611	98,438	105,611	98,438
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	96,277	92,475	96,277	92,475
- NON-CONTROLLING INTERESTS	9,334	5,963	9,334	5,963
	105,611	98,438	105,611	98,438

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2013 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 31 MARCH 2014
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	AS AT END OF CURRENT QUARTER 31/3/2014 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2013 RM'000 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	877,244	866,202
Biological assets	959	981
Investment properties	1,867,778	1,802,958
Rock reserves	7,117	7,183
Land held for property development	747,661	886,805
Investment in associates	1,392,622	1,392,713
Investment in jointly controlled entities	914,662	912,182
Other investments	1,842	1,839
Derivative assets	16,464	22,955
Receivables	30,304	2,305
Goodwill	319,444	319,444
Deferred tax assets	34,924	37,741
	6,211,021	6,253,308
Current assets		
Properties development costs	1,335,551	1,174,981
Inventories	618,367	615,822
Receivables, deposits & prepayments	1,389,246	1,455,545
Deposits, bank & cash balances	1,445,377	1,448,818
Tax recoverable	64,557	55,120
Other investments	70,000	70,000
Derivative assets	15,952	19,281
	4,939,050	4,839,567
Assets of disposal group classified as held for sale	8,684	8,686
TOTAL ASSETS	11,158,755	11,101,561
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	1,786,537	2,051,789
Bank borrowings	2,149,986	2,000,746
Taxation	25,917	21,357
Derivative liabilities	387	142
	3,962,827	4,074,034
Non-current liabilities		
Long term bank borrowings	857,805	794,716
Other long term liabilities	453,877	448,717
Derivative liabilities	-	66
Deferred taxation	64,309	73,994
	1,375,991	1,317,493
Liabilities of disposal group classified as held for sale	64,815	64,835
Total liabilities	5,403,633	5,456,362
Equity attributable to Owners of the Parent		
Share capital	1,723,529	1,723,524
Share premium	2,628,416	2,628,404
Equity contribution from non-controlling interests	51,654	51,654
Negative merger reserve	(1,192,040)	(1,192,040)
Retained profits	1,989,308	1,885,661
Reserve of disposal group classified as held for sale	22,488	22,488
Other reserves	206,321	208,608
	5,429,676	5,328,299
NON-CONTROLLING INTERESTS	325,446	316,900
Total equity	5,755,122	5,645,199
TOTAL EQUITY AND LIABILITIES	11,158,755	11,101,561
Net Assets Per Share Attributable To Owners Of The Parent (RM)	3.15	3.09
(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)		

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014

	ATTRIBUTABLE TO OWNERS OF THE PARENT															RETAINED PROFITS	RESERVE OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY		
	EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS					NON-DISTRIBUTABLE															DISTRIBUTABLE	
	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	RESERVE OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	TOTAL							
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				
PERIOD ENDED 31 MARCH 2013																						
At 1 January 2013	1,292,505	2,326,509	51,654	(1,192,040)	163,638	34,137	98,963	(17,641)	21,712	879	22,357	3,170	(1,636)	1,697	934,375	-	3,576,641	380,862	3,957,503			
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,555	-	90,555	5,624	96,179			
Other comprehensive income	-	-	-	-	1,920	-	-	42	-	-	-	-	1,878	-	-	-	1,920	339	2,259			
Total comprehensive income	-	-	-	-	1,920	-	-	42	-	-	-	-	1,878	-	90,555	-	92,475	5,963	98,438			
Additional equity contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Additional equity contribution during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Acquisition of interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,561)	-	(25,561)	1,284	(24,277)			
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(529)	-	(529)	-	(529)			
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,141)	(3,141)			
Utilisation of furniture & fittings reserve	-	-	-	-	44	-	-	-	-	-	-	-	-	-	-	-	44	-	44			
Transfer to furniture & fittings reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
At 31 March 2013	1,292,505	2,326,509	51,654	(1,192,040)	165,602	34,137	98,963	(17,599)	21,712	879	22,357	3,170	242	1,741	998,840	-	3,643,070	384,968	4,028,038			
PERIOD ENDED 31 MARCH 2014																						
At 1 January 2014	1,723,524	2,628,404	51,654	(1,192,040)	208,608	34,137	99,062	(22,541)	21,712	879	25,881	42,883	1,307	5,288	1,885,661	22,488	5,328,299	316,900	5,645,199			
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	103,990	-	103,990	7,767	111,757			
Other comprehensive income	-	-	-	-	(7,713)	-	-	(9,454)	-	-	-	-	-	-	-	-	(7,713)	1,567	(6,146)			
Total comprehensive income	-	-	-	-	(7,713)	-	-	(9,454)	-	-	-	-	-	-	103,990	-	96,277	9,334	105,611			
New ESOS granted	-	-	-	-	5,618	-	-	-	-	-	-	5,618	-	-	-	-	5,618	-	5,618			
Issuance of ordinary shares pursuant to exercise of ESOS	5	11	-	-	(3)	-	-	-	-	-	-	(3)	-	-	-	-	13	-	13			
Issuance of ordinary shares pursuant to exercise of warrants	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1			
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(788)	(788)			
Utilisation of furniture & fittings reserve	-	-	-	-	(189)	-	-	-	-	-	-	-	-	(189)	-	-	(189)	-	(189)			
Liquidation of an associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(343)	-	(343)	-	(343)			
At 31 March 2014	1,723,529	2,628,416	51,654	(1,192,040)	206,321	34,137	99,062	(31,995)	21,712	879	25,881	48,498	3,048	5,099	1,989,308	22,488	5,429,676	325,446	5,755,122			

[The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.]

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2014

	FOR THE 3 MONTHS PERIOD ENDED 31/3/2014	FOR THE 3 MONTHS PERIOD ENDED 30/3/2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	142,200	122,521
Adjustments for:		
- non-cash items	(2,844)	(22,908)
- finance costs	18,002	22,172
- finance income	(10,182)	(10,512)
Operating cash flows before working capital changes	147,176	111,273
Changes in working capital	(15,070)	(72,428)
Cash flow from operations	132,106	38,845
Interest received	9,347	3,589
Dividend received from jointly controlled entities and associates	37,723	55,559
Tax refunded	1,414	854
Tax paid	(38,619)	(24,265)
Net cash flow from operating activities	141,971	74,582
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	6,595	334
Acquisition of land	(240,676)	(9,407)
Acquisition of property, plant and equipment and biological assets	(36,743)	(28,912)
Acquisition and additional investment in subsidiaries	-	(24,277)
Acquisition and subsequent expenditure of investment properties	(64,818)	(71,805)
Acquisition of other investment	(3)	-
Investment in associates	(2,624)	(2,999)
(Advances to)/Repayment from associates, jointly controlled entity and joint venture partners	(16,253)	6,053
Investment in jointly controlled entities	-	(9,644)
Net cash used in investing activities	(354,522)	(140,657)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	227,007	136,350
Interest paid	(16,036)	(24,838)
Proceeds from issue of shares from exercise of warrants	1	-
Proceeds from issue of shares from exercise of ESOS	13	-
Dividend paid to non-controlling interests of subsidiaries	(788)	(1,189)
Net cash generated from financing activities	210,197	110,323
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,354)	44,248
EFFECTS OF EXCHANGE RATE CHANGES	2,538	1,410
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,359,099	1,063,712
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,359,283	1,109,370
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	1,445,377	1,195,155
Bank overdrafts	(86,094)	(85,785)
	1,359,283	1,109,370

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities, inter alia, that are within the scope of IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

The Group falls within the scope of Transitioning Entities. Transitioning Entities are allowed to defer the adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2015. For the financial years ending 31 March 2014, the Group will continue to prepare financial statements using the Financial Reporting Standards ("FRS").

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. 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 2013.

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 2013 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 2014, as disclosed below:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 31 March 2014 except for the following:

a) Current and preceding year corresponding quarter

	31/3/14 RM'million	31/3/13 RM'million
Profit before tax as reported	142.2	122.5
Gain on derivatives ¹	-	(0.3)
Fair value of ESOS option ²	6.3	-
Profit before tax excluding unusual items	148.5	122.2
Profit after tax and non-controlling interests as reported	104.0	90.6
Gain on derivatives ¹	-	(0.3)
Fair value of ESOS option ²	6.3	-
Profit after tax and non-controlling interests excluding unusual items	110.3	90.3

Notes:

¹ The Group recognised RM0.3 million (profit before and after tax and non-controlling interests) in gain on derivatives as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement, for the period ended 31 March 2013.

² The Group has implemented the Employees' Share Option Scheme ("ESOS") with effect from 3 September 2013, total fair value expenses of the ESOS option granted will be charged to Income Statements over 4 years. During the quarter, the Group has charged the fair value expenses of RM6.3 million for ESOS option, which are included in the operating expenses item.

A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 31 March 2014.

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

During the financial period ended 31 March 2014, the Company increased its issued and paid up ordinary share capital by way of:

(a) issuance of 4,800 ordinary shares of RM1.00 each pursuant to the exercise of the Employees' Share Option Scheme.

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 31 March 2014, the following payment of dividend has been made:

(a) RM86,176,200 were paid on 30 April 2014 as interim single tier dividend of 5% per ordinary share of RM1.00 each for the financial year ended 31 December 2013.

A8 Segmental Reporting

Segmental results for the financial period ended 31 March 2014, representing both core and non-core segmental results, 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	222,320	136,234	358,746	148,961	48,300	-	111,167	-	1,025,728
Inter-segment sales	65	148	78,293	-	3,000	57,525	2,719	(141,750)	-
Total Revenue	222,385	136,382	437,039	148,961	51,300	57,525	113,886	(141,750)	1,025,728
Results									
Operating segment results	52,057	20,065	30,996	9,100	4,430	(10,387)	3,343	-	109,604
Gain on derivatives	-	-	(96)	-	-	66	-	-	(30)
Finance income	1,132	479	362	107	255	5,440	2,407	-	10,182
Finance costs	(2,052)	(18,669)	(99)	(870)	-	4,455	(767)	-	(18,002)
Share of results of associated companies	3	20,101	-	(2)	-	-	-	-	20,102
jointly controlled entities	17,751	2,593	-	-	-	-	-	-	20,344
Profit before taxation	68,891	24,569	31,163	8,335	4,685	(426)	4,983	-	142,200
Taxation	(11,083)	(6,065)	(6,941)	(1,948)	(1,019)	(1,868)	(1,519)	-	(30,443)
Profit for the period	57,808	18,504	24,222	6,387	3,666	(2,294)	3,464	-	111,757
Non controlling interests	(7,467)	(911)	663	(426)	(42)	40	376	-	(7,767)
Attributable to owners of the parent	50,341	17,593	24,885	5,961	3,624	(2,254)	3,840	-	103,990

	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	896,801	120,072	91,342	82,722
Singapore	57,930	25,290	24,067	24,067
China	33,694	(5,222)	(5,461)	(4,393)
India	57	348	348	348
Australia	13,199	(287)	(287)	(298)
United Arab Emirates	-	(245)	(245)	(245)
Other Countries	24,047	2,244	1,993	1,789
	1,025,728	142,200	111,757	103,990

Core segmental results (excluding unusual items as per Note A4) for the financial period ended 31 March 2014 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	222,320	136,234	358,746	148,961	48,300	-	111,167	-	1,025,728
Inter-segment sales	65	148	78,293	-	3,000	57,525	2,719	(141,750)	-
Total Revenue	222,385	136,382	437,039	148,961	51,300	57,525	113,886	(141,750)	1,025,728
Results									
Operating segment results	52,053	20,557	30,996	9,100	4,430	(4,627)	3,343	-	115,852
Finance income	1,132	479	362	107	255	5,440	2,407	-	10,182
Finance costs	(2,052)	(18,669)	(99)	(870)	-	4,455	(767)	-	(18,002)
Share of results of associated companies	3	20,101	-	(2)	-	-	-	-	-
jointly controlled entities	17,751	2,593	-	-	-	-	-	-	20,102
Profit before taxation	68,887	25,061	31,259	8,335	4,685	5,268	4,983	-	148,478
Taxation	(11,083)	(6,065)	(6,941)	(1,948)	(1,019)	(1,868)	(1,514)	-	(30,438)
Profit for the period	57,804	18,996	24,318	6,387	3,666	3,400	3,469	-	118,040
Non controlling interests	(7,467)	(911)	663	(426)	(42)	40	376	-	(7,767)
Attributable to owners of the parent	50,337	18,085	24,981	5,961	3,624	3,440	3,845	-	110,273

	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	896,801	126,165	97,440	88,820
Singapore	57,930	25,290	24,067	24,067
China	33,694	(5,222)	(5,461)	(4,393)
India	57	348	348	348
Australia	13,199	(287)	(287)	(298)
United Arab Emirates	-	(245)	(245)	(245)
Other Countries	24,047	2,429	2,178	1,974
	1,025,728	148,478	118,040	110,273

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 31 March 2014.

A11 Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter ended 31 March 2014.

A12 Contingent Liabilities and Assets

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

	31/3/2014 RM'000	31/12/2013 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,331,543</u>	<u>2,125,176</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 31 March 2014 is as follows:

	31/3/2014 RM'000	31/12/2013 RM'000
Amount authorised and contracted for	51,631	71,745
Amount authorised but not contracted for	<u>787,558</u>	<u>635,582</u>
	<u>839,188</u>	<u>707,327</u>

(b) Operating lease commitment not provided for in the financial year as at 31 March 2013 is as follows:

	31/3/2014 RM'000	31/12/2013 RM'000
Future minimum lease payment:		
- not later than 1 year	77,245	77,753
- later than 1 year and not later than 5 years	280,594	281,704
- later than 5 years	<u>147,023</u>	<u>161,246</u>
	<u>504,862</u>	<u>520,703</u>
Future minimum lease receipts:		
- not later than 1 year	60,323	54,664
- later than 1 year and not later than 5 years	211,265	189,059
- later than 5 years	<u>388,249</u>	<u>338,825</u>
	<u>659,837</u>	<u>582,548</u>

B1 Review of Performance

For the quarter

The Group recorded a revenue of RM1,025.7 million and profit before tax of RM148.5 million (after excluding unusual items as per Note A4) for the current quarter ended 31 March 2014 compared to revenue of RM1,021.0 million and profit before tax of RM122.2 million in the corresponding quarter of the previous financial year. The better financial results were due to improved performance across most of our business segments and lower interest costs as some of the rights issue proceeds, which were raised in August last year, were used to reduce part of the Group's borrowings.

The property development segment reported revenue of RM222.3 million and profit before tax of RM68.9 million in the current quarter compared to revenue of RM202.7 million and profit before tax of RM56.3 million in the corresponding quarter of the previous financial year. The stronger performance recorded in the current quarter was mainly due to better sales achieved and higher profit recognition from the local development projects. Profit contribution from our Singapore property projects, however, was lower compared to the previous corresponding quarter due to fewer ongoing development projects and lower profit recognition. Nevertheless, the overall financial performance for this segment was still better.

The property investment segment reported revenue of RM136.2 million and profit before tax of RM25.1 million in the current quarter compared to revenue of RM133.5 million and profit before tax of RM26.1 million in the corresponding quarter of the previous financial year. The operating performance was actually better due to improved results from the hospitality and leisure divisions. However, the overall performance was offset by the lower REIT management fee received, following the disposal of 20% equity interest in Sunway REIT Management Sdn. Bhd. during the last quarter of 2013 and higher operating and interest expenses incurred, which were related to the commencement of leasing operation of Sunway Pinnacle, a newly completed 25-storey Grade A office building in Sunway Resort City.

The construction segment recorded revenue of RM358.7 million and profit before tax of RM31.3 million in the current quarter compared to revenue of RM429.4 million and profit before tax of RM27.9 million in the corresponding quarter of the previous financial year. Although the revenue in the current quarter was lower, the profit was much higher due to the stronger profit recognition from its current portfolio of contracts. Some of these contracts have reached advanced construction stage which allowed a higher proportion of the margin to be recognised.

The trading and manufacturing segment recorded revenue of RM149.0 million and profit before tax of RM8.3 million for the current quarter compared to revenue of RM129.6 million and profit before tax of RM8.3 million in the corresponding quarter of the previous financial year. Operations in Malaysia continued to perform well, especially in the sales of heavy machineries and building materials, while the market condition in our overseas operations in Australia and Indonesia remained challenging.

The quarry segment recorded revenue of RM48.3 million and profit before tax of RM4.7 million for the current quarter compared to revenue of RM44.3 million and profit before tax of RM4.8 million in the corresponding quarter of the previous financial year. The overall performance was satisfactory, although profit was flat despite the higher revenue recorded in the current quarter.

Other segments recorded revenue of RM111.2 million and profit before tax of RM10.3 million for the current quarter compared to revenue of RM81.5 million and loss before tax of RM1.0 million in the corresponding quarter of the previous financial year. The overall improvement in performance was mainly due to better contribution from the healthcare and building material divisions in Malaysia as well as stronger contribution from the Group's treasury operations.

B2 Material Changes in the Quarterly Results

The Group recorded a revenue of RM1,025.7 million and profit before tax of RM148.5 million (after excluding unusual items as per Note A4) for the current quarter ended 31 March 2014 compared to revenue of RM1,310.2 million and profit before tax of RM227.9 million achieved in the preceding quarter. The lower performance for the current quarter was mainly due to the lower financial results from the property development and property investment segments.

The property development segment recorded revenue of RM222.3 million and profit before tax of RM68.9 million in the current quarter compared to revenue of RM417.2 million and profit before tax of RM131.5 million in the preceding quarter. The lower performance was mainly due to lower progress billings and profit recognition from the local development projects. Profit contribution from our Singapore property development was also lower compared to the preceding quarter due to fewer ongoing development projects.

The property investment segment recorded revenue of RM136.2 million and profit before tax of RM25.1 million for the current quarter compared to revenue of RM165.8 million and profit before tax of RM42.5 million in the preceding quarter. The lower performance in the current quarter was due to the seasonality factor, where the leisure and hospitality divisions in this segment delivered its best performance in the last quarter of the year. The current profit was also impacted by the lower REIT management fee received, following the disposal of 20% equity interest in Sunway REIT Management Sdn. Bhd. and higher operating and interest expenses incurred, which were related to the commencement of leasing operation of Sunway Pinnacle.

The construction segment recorded revenue of RM358.7 million and profit before tax of RM31.3 million in the current quarter compared to revenue of RM442.9 million and profit before tax of RM19.5 million in the preceding quarter. The revenue was lower in the current quarter mainly due to lower progress billings from its ongoing construction projects. The current profit was satisfactory, given the revenue recorded, while the profit in the preceding quarter, in comparison, was lower due to the significant provision for doubtful debts of approximately RM24.4 million in respect of the outstanding balance receivable from one of the building contracts in Abu Dhabi.

The trading and manufacturing segment recorded revenue of RM149.0 million and profit before tax of RM8.3 million in the current quarter compared to revenue of RM133.7 million and profit before tax of RM9.5 million in the preceding quarter. The overall performance was satisfactory, although profit was dampened by lower profit margin, despite the higher revenue recorded in the current quarter.

The quarry segment recorded revenue of RM48.3 million and profit before tax of RM4.7 million in the current quarter compared to revenue of RM50.5 million and profit before tax of RM4.8 million in the preceding quarter. The overall performance was relatively steady.

Other segments recorded revenue of RM111.2 million and profit before tax of RM10.3 million in the current quarter compared to revenue of RM100.0 million and profit before tax of RM20.0 million in the preceding quarter. The current performance was lower due to smaller profit contribution from the healthcare division, while the preceding comparable quarterly profit was boosted by a RM5.0 million provision write back.

B3 Prospects

The outlook for the global economy in 2014 is expected to be moderately better than last year. The improvement will be led by the advanced economies, with the United States, UK and Germany leading the pack, while Japan and France are expected to show only marginal improvement, if any. China, being the world's second largest economy, is still forecasted to grow at a commendable rate of 7.5%, but the growth downside risks remain, if the soft landing is not managed well by the Chinese authorities.

On the other hand, the Malaysian economy has demonstrated its strong resilience by recording a first quarter GDP growth of 6.2%, compared to 4.2% recorded in the preceding corresponding quarter. The strong recovery was largely driven by higher domestic demand and recovery in net exports as the global economy continues to improve. If such trend continues to prevail, Malaysia's economic growth rate may achieve the government's target of between 5% to 5.5%.

In view of the above economic outlook and the steady performance recorded by most of our business units, the Group is cautiously optimistic of its prospects in 2014.

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 31/3/2014 RM'000	Cumulative Year To Date 31/3/2014 RM'000
Current taxation	(26,035)	(26,035)
Deferred taxation	(4,408)	(4,408)
	(30,443)	(30,443)

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/3/2014 RM'000	Cumulative Year To Date 31/3/2014 RM'000
Depreciation and amortisation	(24,987)	(24,987)
Provision/Impairment for:		
- Trade receivables	(1,834)	(1,834)
- Stock obsolescence	(326)	(326)
Write off:		
- Inventories	(100)	(100)
Net gain on disposal of:		
- property, plant and equipment	2,826	2,826
- investment properties	167	167
Foreign exchange gain/(loss):		
- Others	124	124
- Unrealised for hedged items	11,053	11,053
Cash flow hedge reserve recycled to profit or loss	(11,053)	(11,053)

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 disposal of equity interest of Sungei Way Ocean Joint Venture Company Limited by Sunway Holdings (Vietnam) Sdn. Bhd.

Sunway Holdings (Vietnam) Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of the Company, had on 28 November 2013, entered into an equity sale and purchase agreement with Huong Phong Tourism-Manufacturing-Trading Company Limited ("the Purchaser") for the disposal of its 70% equity interest in Sungei Way Ocean Joint Venture Company Limited ("Sungei Way Ocean") to the Purchaser for a total cash consideration of USD1,000,000 (equivalent to approximately RM3,160,000) (based on the audited account of Sungei Way Ocean for the period ended 31 December 2012) [hereinafter referred to as "the Proposed Disposal"].

Upon the completion of the Proposed Disposal, Sungei Way Ocean will cease to be a subsidiary of the Company.

Sungei Way Ocean was incorporated in Vietnam on 15 January 1997 with a charter capital of USD2,733,000. The principal activities of Sungei Way Ocean are quarrying and production of building stones.

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

Subscription and Shareholders' Agreement between SunCity and Iskandar Assets Sdn. Bhd. in relating to the development of Pendas Land

Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company has on 4 December 2012, entered into a Subscription and Shareholders' Agreement ("SSA") with Iskandar Assets Sdn. Bhd. ("IASB"), a wholly-owned subsidiary of Iskandar Investment Berhad ("IIB") and Sunway Iskandar Development Sdn. Bhd. (formerly known as Harmony Impulse Sdn. Bhd.) ("SID") with the intention of establishing a joint venture via SID ("Proposed Joint Venture") to jointly undertake a mixed development project on the following parcels of freehold land located in Iskandar Malaysia ("the Land") as well as to regulate the relationship of SunCity and IASB as shareholders of SID:

- (i) Land held under HSD 452850, PTD 75802, Mukim of Pulai, District of Johor Bahru, measuring approximately 412.75 acres ("Pendas North Land"); and
- (ii) Portion of the Land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 366.32 acres ("Western Pendas South Land").

SID has also on even date, entered into two (2) Sale and Purchase Agreements ("SPAs") with IASB for the acquisition of the Land on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Land for a total purchase consideration of up to RM412,727,480.

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

- (a) SunCity and IASB agree to hold ordinary shares and redeemable preference shares in SID in the proportion of 60:40. The Company will provide a shareholder advance to SID equivalent to 60% of the amount of the deposits under the SPA to enable SID to pay the deposits and IASB will deem the amount equivalent to 40% of the deposits as being paid. The shareholder advance and 40% of the deposit will be capitalized into ordinary shares and redeemable preference shares when the SSA becomes unconditional.
- (b) SunCity and IASB agree that the balance purchase consideration for the Land will be funded in the following manner:
 - (i) SunCity and IASB to subscribe for new securities or zero coupon bonds or such other securities as may be agreed between the parties in SID free from all encumbrances and with all rights and benefits attaching thereto in the agreed proportion and/or SunCity and IASB to provide shareholders' loan in the proportion of 60:40; and
 - (ii) external financing.

The total purchase consideration shall be satisfied by SID in the following manner:

- (a) the purchase consideration of up to RM221,280,444 for Pendas North Land is to be paid in six (6) instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in five (5) annual instalments within a period of 60 months from the date of the SPA; and
- (b) the purchase consideration of up to RM191,447,036 for Western Pendas South Land is to be paid in six (6) instalments with the deposit to be paid upon 14 days from the date of the SPA and the balance in five (5) annual instalments commencing 72 months from the date of the SPA to 120 months from the date of the SPA.

The amount of the purchase consideration is subject to adjustments upon verification by IASB relating to the conditions of the Land.

Subsequent to the abovementioned, IASB had agreed to sell and SID had agreed to purchase the balance of the land held under HSD 452656, PTD 2398, Mukim of Tanjung Kupang, District of Johor Bahru measuring approximately 300 acres ("Second Plot"). For this purpose, SunCity had on 23 January 2013 entered into a Supplemental Subscription and Shareholders' Agreement ("Supplemental SSA") with IASB and SID to amend the SSA to document the additional equity to be injected by SunCity and IASB into SID to finance part of the purchase price of the Second Plot.

SID had on even date, entered into a Supplemental Agreement to the Western Pendas South Land SPA ("Supplemental SPA") with IASB for the acquisition of the Second Plot on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Second Plot for a total purchase consideration of up to RM183,882,441.

The Supplemental SSA was entered into by SunCity, IASB and SID to amend the terms and conditions of the SSA, to include the terms for the additional equity injection by SunCity and IASB for purposes of the acquisition of the Second Plot.

Salient terms of the Supplemental SSA includes, inter-alia, the following:

- (a) SID will acquire the Second Plot from IASB on an "as is where is" basis and free from encumbrances but otherwise subject only to the express or implied conditions of the land title and restrictions-in interest endorsed on the land title or otherwise affecting the Second Plot for a total purchase consideration of up to RM183,882,441; and
- (b) The total purchase consideration of the land under the Western Pendas South Land SPA as supplemented by the Supplemental SPA of RM375,329,477 shall be satisfied by SID in seven (7) instalments whereby the deposit for the Western Pendas South Land was paid within 14 days from the date of the SPA, the deposit for the Second Plot is to be paid within 14 days of the date of the Supplemental SPA and the balance in five (5) annual instalments within a period of 120 months from the date of the SPA.

The amount of the purchase consideration is subject to adjustments upon verification by IASB relating to the conditions of the Second Plot.

The proposed acquisition of the Lands has not been completed as at the date of this report.

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.

Proposed disposal of equity interest of Sunway Hatay Construction & Building Materials JV Co. Ltd. ("Sunway Hatay"), by Sunway Holdings (Vietnam) Sdn. Bhd.

On 18 May 2012, Sunway Holdings (Vietnam) Sdn. Bhd., a wholly-owned subsidiary of SHSB, which in turn is a wholly-owned subsidiary of the Company, had entered into an equity sale and purchase agreement with Hatay Trading Production Construction Joint Stock Company ("Purchaser") for the disposal of 86% equity interest in Sunway Hatay to the Purchaser for a total cash consideration of USD3,500,000 (equivalent to approximately RM10,983,000) or the final purchase price to be agreed after the fulfillment of the conditions precedent and prior to completion (hereinafter referred to as "the Proposed Disposal"). Upon the completion of the Proposed Disposal, Sunway Hatay will cease to be a subsidiary of the Company.

Sunway Hatay was incorporated in Vietnam on 11 April 1995 with a charter capital of USD5,959,286. The principal activities of Sunway Hatay are quarrying and manufacturing of ready-mixed concrete.

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.

None of the directors or substantial shareholders of the Company or persons connected with them has any interest, whether direct or indirect, in the Proposed Disposal.

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

Status of utilisation of proceeds from the Rights Issue

On August 2013, the Rights Issue was completed with the listing on the Main Market of Bursa Securities. The total gross proceeds raised from the Rights Issue amounted to RM732,477,000. The status of the utilisation of proceeds as at 31 March 2014 is as follow:

Details of utilisation	Approved utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Timeframe for utilisation
Capital expenditure				
(i) Acquisition of land	170,000	170,000	-	Within 36 months
(ii) Development of investment properties	70,000	70,000	-	Within 30 months
(iii) Development costs for property development projects	70,000	70,000	-	Within 24 months
(iv) Acquisition of property, plant and equipment	90,000	90,000	-	Within 18 months
Repayment of existing borrowings	300,000	300,000	-	Within 12 months
General working capital of our Group	31,706	31,706	-	Within 12 months
Estimated expenses in relation to the Rights Issue	771	771	-	Within 6 months
	732,477	732,477	-	

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2014 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings:			
- Current	1,426,312	723,674	2,149,986
- Non-current	857,552	253	857,805
	2,283,864	723,927	3,007,791

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) *	255,600	100,000	812,808	318,000
Singapore Dollar (SGD'000) **	9,131	16,823	22,945	42,277
Chinese Renminbi (RMB'000) **	66,626	4,128	34,472	2,136
Australia Dollar (AUD'000) **	372	17	1,096	49
<u>Unsecured</u>				
Singapore Dollar (SGD'000) **	489	-	1,228	-
Indonesian Rupiah (RP'000) **	15,889,460	-	4,560	-
			877,111	362,462

Notes:

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

** Borrowings obtained by overseas subsidiaries.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 March 2014 were as follows:

Type of Derivatives	Contract/ Notional RM'000	Fair Value RM'000	Gains/(Losses) Fair Value for the period RM'000
Foreign currency forward contracts			
- Less than 1 year	8,538	202	(96)
Interest rate swap contracts			
- 1 year to 3 year	9,105	(43)	66
Total losses on derivatives as per Note A4			(30)
Cross currency swap contracts			
- 1 year to 3 year	697,193	31,870	1,741
Total derivatives		32,029	1,711

Foreign currency forward contracts

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

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

Interest rate swap contracts

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

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

Cross currency swap contracts

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

B10 Changes in Material Litigation

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

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

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

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

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs891.5 million (approximately equivalent to RM47 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 RM42 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:

	31/3/2014	31/12/2013
	RM'000	RM'000
Total retained profit of the Group:-		
Realised	1,183,655	1,076,548
Unrealised	104,182	100,455
Total share of retained profits from associated companies:		
Realised	199,898	179,794
Unrealised	494,293	494,293
Total share of retained profits from Jointly Controlled Entities:		
Realised	418,488	398,144
Unrealised	108,371	108,370
Less: Consolidation adjustments	(519,579)	(471,943)
Total Group's retained profits as per consolidated accounts	<u>1,989,308</u>	<u>1,885,661</u>

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

B12 Dividend

Other than the dividend paid as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ended 31 March 2014.

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 31/3/2014 RM'000	Cumulative Year To Date 31/3/2014 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	103,990	103,990
Weighted Average Number of Ordinary Shares	1,723,524	1,723,524
Earnings per share (Basic) (sen)	6.03	6.03
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	103,990	103,990
Weighted Average Number of Ordinary Shares	1,758,106	1,758,106
Earnings per share (Diluted) (sen)	5.91	5.91

By Order of the Board

Tan Kim Aun
Chin Lee Chin

Secretaries