

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012 RM'000 (RESTATED)	CURRENT YEAR TO DATE 31/12/2013 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012 RM'000 (RESTATED)
REVENUE		1,342,155	1,241,768	4,733,655	4,128,837
OPERATING EXPENSES		(1,198,446)	(1,100,954)	(4,170,570)	(3,614,800)
OTHER OPERATING INCOME		1,045,089	31,069	1,260,477	328,575
PROFIT FROM OPERATIONS		1,188,798	171,883	1,823,562	842,612
GAIN ON DERIVATIVES		420	270	708	380
FINANCE INCOME		3,173	77	35,644	24,185
FINANCE COSTS		(27,635)	(33,674)	(138,080)	(172,070)
SHARE OF PROFIT FROM ASSOCIATES		13,449	711	13,199	568
SHARE OF PROFIT FROM JOINTLY CONTROLLED ENTITIES		69,943	72,829	159,272	143,987
PROFIT BEFORE TAX		1,248,148	212,096	1,894,305	839,662
INCOME TAX EXPENSE	B5	(45,470)	(44,148)	(120,867)	(115,382)
PROFIT FOR THE PERIOD		1,202,678	167,948	1,773,438	724,280
ATTRIBUTABLE TO:					
- OWNERS OF THE PARENT		1,138,752	146,557	1,500,475	438,826
- NON-CONTROLLING INTERESTS		63,926	21,391	272,963	285,454
		1,202,678	167,948	1,773,438	724,280
EARNINGS PER SHARE					
(i) BASIC (sen)		66.07	9.95	95.15	29.88
(ii) DILUTED (sen)		63.51	9.95	94.47	29.88

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with unusual items as per Note A4 and FRS 10 adjustments as per Note A1.)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2013	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2012	CURRENT YEAR TO DATE 31/12/2013	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2012
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	1,202,678	167,948	1,773,438	724,280
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	(6,139)	41,472	20,319	982
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	8,891	(10,283)	74,058	(16,062)
- AMOUNT RECYCLED TO PROFIT OR LOSS	<u>(11,576)</u>	<u>15,953</u>	<u>(72,958)</u>	<u>32,268</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	<u>(8,824)</u>	<u>47,142</u>	<u>21,419</u>	<u>17,188</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,193,854</u>	<u>215,090</u>	<u>1,794,857</u>	<u>741,468</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	1,103,413	170,975	1,519,162	458,990
- NON-CONTROLLING INTERESTS	90,441	44,115	275,695	282,478
	<u>1,193,854</u>	<u>215,090</u>	<u>1,794,857</u>	<u>741,468</u>

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with unusual items as per Note A4 and FRS 10 adjustments as per Note A1.)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 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 DECEMBER 2013
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	AS AT END OF CURRENT QUARTER 31/12/2013 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2012 RM'000 (RESTATED)
ASSETS		
Non-current assets		
Property, plant and equipment	857,910	1,562,783
Biological assets	981	613
Investment properties	1,804,305	4,779,082
Rock reserves	7,183	7,444
Land held for property development	877,940	598,912
Investment in associates	1,388,744	54,633
Investment in jointly controlled entities	895,234	516,452
Other investments	1,839	1,802
Derivative assets	34,779	2,058
Receivables	2,306	3,899
Goodwill	319,884	318,077
Deferred tax assets	37,739	33,718
	6,228,844	7,879,473
Current assets		
Properties development costs	1,276,078	991,529
Inventories	622,865	650,308
Receivables, deposits & prepayments	1,402,636	1,584,853
Deposits, bank & cash balances	1,519,091	1,197,490
Tax recoverable	55,281	47,827
Derivative assets	7,461	12,203
	4,883,412	4,484,210
TOTAL ASSETS	11,112,256	12,363,683
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,154,021	1,844,824
Bank borrowings	1,804,904	2,954,959
Taxation	23,975	21,015
Derivative liabilities	146	197
	3,983,046	4,820,995
Non-current liabilities		
Long term bank borrowings	990,556	1,688,405
Other long term liabilities	431,064	448,033
Derivative liabilities	66	1,700
Deferred taxation	55,334	53,246
	1,477,020	2,191,384
Total liabilities	5,460,066	7,012,379
Equity attributable to Owners of the Parent		
Share capital	1,723,524	1,292,505
Share premium	2,628,404	2,326,509
Equity contribution from non-controlling interests	51,654	51,654
Negative merger reserve	(1,192,040)	(1,192,040)
Retained profits	1,895,753	571,033
Other reserves	227,571	165,143
	5,334,866	3,214,804
NON-CONTROLLING INTERESTS	317,324	2,136,500
Total equity	5,652,190	5,351,304
TOTAL EQUITY AND LIABILITIES	11,112,256	12,363,683
Net Assets Per Share Attributable To Owners Of The Parent (RM)	3.10	2.49

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2013

	ATTRIBUTABLE TO OWNERS OF THE PARENT														DISTRIBUTABLE		NON-CONTROLLING INTERESTS	TOTAL EQUITY	
	EQUITY CONTRIBUTION FROM NON-CONTROLLING INTERESTS					NON-DISTRIBUTABLE									RETAINED PROFITS	TOTAL			
	SHARE CAPITAL	SHARE PREMIUM		NEGATIVE MERGER RESERVE	OTHER RESERVES, TOTAL	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN EXCHANGE RESERVE	FAIR VALUE RESERVE	STATUTORY RESERVE	REVALUATION RESERVE	SHARE OPTION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE & FITTINGS RESERVE					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
YEAR ENDED 31 DECEMBER 2012																			
At 1 January 2012	1,292,505	2,326,509	35,376	(1,192,040)	121,820	34,137	75,521	(24,156)	21,643	879	22,357	3,170	(13,780)	2,049	432,773	3,016,943	327,349	3,344,292	
Effects of adopting FRS 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(271,513)	(271,513)	1,666,839	1,395,326	
At 1 January 2012 (as restated)	1,292,505	2,326,509	35,376	(1,192,040)	121,820	34,137	75,521	(24,156)	21,643	879	22,357	3,170	(13,780)	2,049	161,260	2,745,430	1,994,188	4,739,618	
Total comprehensive income	-	-	-	-	20,164	-	-	6,515	-	-	-	-	13,649	-	438,826	458,990	282,478	741,468	
Additional equity contribution during the year	-	-	16,278	-	69	-	-	-	69	-	-	-	-	-	-	16,347	71,272	87,619	
Acquisition of interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,964)	(5,964)	(28,773)	(34,737)	
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(927)	(927)	
Liquidation of subsidiary	-	-	-	-	23,417	-	23,417	-	-	-	-	-	-	-	(23,416)	1	-	1	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(181,738)	(181,738)	
Redemption of redeemable preference share:	-	-	-	-	25	-	25	-	-	-	-	-	-	-	(25)	-	-	-	
Transfer to furniture & fittings reserve	-	-	-	-	(352)	-	-	-	-	-	-	-	-	-	352	-	-	-	
At 31 December 2012	1,292,505	2,326,509	51,654	(1,192,040)	165,143	34,137	98,963	(17,641)	21,712	879	22,357	3,170	(131)	1,697	571,033	3,214,804	2,136,500	5,351,304	
YEAR ENDED 31 DECEMBER 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	(1,436)	1,697	934,375	3,576,641	380,842	3,957,503	
Effects of adopting FRS 10	-	-	-	-	1,505	-	-	-	-	-	-	-	1,505	-	(363,342)	(361,837)	1,755,637	1,393,800	
At 1 January 2013 (as restated)	1,292,505	2,326,509	51,654	(1,192,040)	165,143	34,137	98,963	(17,641)	21,712	879	22,357	3,170	(131)	1,697	571,033	3,214,804	2,136,499	5,351,303	
Total comprehensive income	-	-	-	-	18,687	-	-	17,588	-	-	-	-	1,099	-	1,500,475	1,519,162	275,695	1,794,857	
Issuance of ordinary shares pursuant to Rights	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	732,477	-	732,477	
Issue with warrants	430,869	301,608	-	-	-	-	-	-	-	-	-	-	-	-	-	39,732	-	39,732	
New ESOS granted	-	-	-	-	39,732	-	-	-	-	-	-	39,732	-	-	-	94	-	94	
Issuance of ordinary shares pursuant to exercise of ESOS	34	79	-	-	(19)	-	-	-	-	-	-	(19)	-	-	-	-	-	-	
Issuance of ordinary shares pursuant to exercise of warrants	116	208	-	-	-	-	-	-	-	-	-	-	-	-	-	324	-	324	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(180,588)	(180,588)	
Dividends declared	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(163,725)	(163,725)	-	(163,725)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	40	713	753	
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,380)	(8,380)	(52,008)	(60,388)	
Redemption of redeemable preference share:	-	-	-	-	99	-	99	-	-	-	-	-	-	-	(99)	-	-	-	
Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,364)	(5,364)	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)	
Transfer to furniture & fittings reserve	-	-	-	-	3,591	-	-	-	-	-	-	-	-	3,591	(3,591)	-	-	-	
Effects of change of control from subsidiary to JCE	-	-	-	-	338	-	-	-	-	-	-	-	338	-	-	338	(1,857,597)	(1,857,259)	
At 31 December 2013	1,723,524	2,628,404	51,654	(1,192,040)	227,571	34,137	99,062	(53)	21,712	879	22,357	42,883	1,306	5,288	1,895,753	5,334,866	317,324	5,652,190	

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2013

	FOR THE 12 MONTHS PERIOD ENDED 31/12/2013 RM'000	FOR THE 12 MONTHS PERIOD ENDED 30/12/2012 RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,894,305	839,662
Adjustments for:		
- non-cash items	(1,167,447)	(188,064)
- finance costs	138,080	172,072
- finance income	(35,644)	(24,186)
Operating cash flows before working capital changes	829,294	799,484
Changes in working capital	295,735	(235,807)
Cash flow from operations	1,125,029	563,677
Interest received	35,198	25,731
Dividend received from jointly controlled entities and associates	60,634	107,682
Tax refunded	24,246	28,313
Tax paid	(151,512)	(133,598)
Net cash flow from operating activities	1,093,595	591,805
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	5,428	26,526
Proceeds from disposal of investment properties	691	-
Proceeds from liquidation of subsidiaries	313	-
Proceeds from disposal of investment in a subsidiary	31,380	780
Proceed from dilution of associates	382	-
Acquisition of land	(57,678)	(43,827)
Acquisition of property, plant and equipment and biological assets	(144,413)	(169,101)
Acquisition and additional investment in subsidiaries	(12,300)	(24,486)
Additional investment in subsidiaries	-	-
Acquisition of equity interest from non-controlling interest	(51,874)	(9,247)
Acquisition and subsequent expenditure of investment properties	(455,837)	(220,696)
Acquisition of other investment	(56)	-
Effects of change of control from subsidiary to JCE	(70,209)	-
Investment in associates	(2,531)	-
Repayment from/ (advances to) associates, jointly controlled entity and joint venture partners	14,979	(40,745)
Capital repayment from an associate	-	6,094
Investment in jointly controlled entities	(163,347)	(227,901)
Net cash used in investing activities	(905,072)	(702,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	(129,780)	740,688
Advances from/(to) non-controlling interests of subsidiary companies	(563)	-
Interest paid	(117,521)	(180,397)
Proceeds from issue of ordinary shares	732,477	-
Proceeds from issue of shares from exercise of warrants	324	-
Proceeds from issue of shares from exercise of ESOS	94	-
Capital repayment to shareholders	(5,347)	-
Dividend paid to shareholders	(163,725)	-
Dividend paid to non-controlling interests of subsidiaries	(180,588)	(181,738)
Net cash generated from/(used in) financing activities	135,371	378,553
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	323,894	267,755
EFFECTS OF EXCHANGE RATE CHANGES	3,165	(3,489)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,102,312	838,046
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,429,371	1,102,312
Cash and cash equivalents at end of financial period comprise the following :		
Deposits, bank & cash balances	1,519,091	1,197,490
Bank overdrafts	(89,720)	(95,178)
	1,429,371	1,102,312

{ The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2012 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 two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. For the financial years ending 31 December 2013, 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 2012. 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 2012.

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 2012 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 2013, as disclosed below:

FRS 10	Consolidated Financial Statements
FRS 11 Joint Arrangements	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Venture
Amendments to IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7: Disclosures	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))

Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above pronouncements does not have any significant impact to the Group except for:-

FRS 10: Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

Pursuant to the adoption of FRS 10, the Group has performed an assessment and considered that it has control over Sunway Real Estate Investment Trust ("Sunway REIT") as Sunway REIT Management Sdn Bhd ("SRM"), which acts as the Manager of Sunway REIT, is a wholly owned subsidiary of the Group. Accordingly, the Group is required to consolidate the financial position and financial results of Sunway REIT and the adjustments are to be made retrospectively. However, no consolidation is required for the financial year ended 31 December 2013 upon the disposal of 20% in SRM as the Group is viewed to have a joint control in SRM.

The financial effects of the implementation of this standard for financial year ended 31 December 2012 are as follows:

Statement of financial position for the year ended 31 December 2012

	31.12.2012 as previously reported RM'000	FRS 10 adjustments RM'000	31.12.2012 as restated RM'000
Non-current assets			
Property, plant and equipment	804,698	758,085	1,562,783
Biological assets	613	-	613
Investment properties	1,242,519	3,536,563	4,779,082
Rock reserves	7,444	-	7,444
Land held for property development	598,912	-	598,912
Investment in associates	1,023,761	(969,128)	54,633
Investment in jointly controlled entities	516,452	-	516,452
Other investments	1,802	-	1,802
Derivative assets	2,058	-	2,058
Receivables	3,899	-	3,899
Goodwill	318,077	-	318,077
Deferred tax assets	33,718	-	33,718
	<u>4,553,953</u>	<u>3,325,520</u>	<u>7,879,473</u>
Current assets			
Properties development costs	991,529	-	991,529
Inventories	650,308	-	650,308
Receivables, deposits & prepayments	1,568,764	16,089	1,584,853
Deposits, bank & cash balances	1,158,890	38,600	1,197,490
Tax recoverable	47,827	-	47,827
Derivative assets	12,203	-	12,203
	<u>4,429,521</u>	<u>54,689</u>	<u>4,484,210</u>
TOTAL ASSETS	<u>8,983,474</u>	<u>3,380,209</u>	<u>12,363,683</u>

	31.12.2012 as previously reported RM'000	FRS 10 adjustments RM'000	31.12.2012 as restated RM'000
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other current liabilities	1,771,850	72,974	1,844,824
Bank borrowings	1,773,155	1,181,804	2,954,959
Taxation	31,015	(10,000)	21,015
Derivative liabilities	197	-	197
	<u>3,576,217</u>	<u>1,244,778</u>	<u>4,820,995</u>
Non-current liabilities			
Long term bank borrowings	983,279	705,126	1,688,405
Other long term liabilities	412,437	35,596	448,033
Derivative liabilities	792	908	1,700
Deferred taxation	53,246	-	53,246
	<u>1,449,754</u>	<u>741,630</u>	<u>2,191,384</u>
Total liabilities	<u>5,025,971</u>	<u>1,986,408</u>	<u>7,012,379</u>
Equity attributable to Owners of the Parent			
Share capital	1,292,505	-	1,292,505
Share premium	2,326,509	-	2,326,509
Equity Contribution from non-controlling interests	51,654	-	51,654
Negative merger reserve	(1,192,040)	-	(1,192,040)
Retained profits	934,375	(363,342)	571,033
Other reserves	163,638	1,505	165,143
	<u>3,576,641</u>	<u>(361,837)</u>	<u>3,214,804</u>
NON-CONTROLLING INTERESTS	<u>380,862</u>	<u>1,755,638</u>	<u>2,136,500</u>
Total equity	<u>3,957,503</u>	<u>1,393,801</u>	<u>5,351,304</u>
TOTAL EQUITY AND LIABILITIES	<u>8,983,474</u>	<u>3,380,209</u>	<u>12,363,683</u>

Statements of comprehensive income for the year ended 31 December 2013

	9 months period ended 30.09.2013			3 months period ended 31.12.2013			12 months period ended 31.12.2013		
	As announced	FRS 10 adjustment	As restated	Before FRS 10 adjustments	FRS 10 adjustment	As announced	Before FRS 10 adjustments	FRS 10 adjustment	As announced
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,205,220	186,280	3,391,500	1,322,419 *	19,736	1,342,155	4,527,639 *	206,016	4,733,655
Operating expenses	(2,972,336)	212	(2,972,124)	(1,201,601)	3,155	(1,198,446)	(4,173,937)	3,367	(4,170,570)
Other operating income	44,660	170,728	215,388	359,378	685,711	1,045,089	404,038	856,439	1,260,477
Profit from operations	277,544	357,220	634,764	480,196	708,602	1,188,798	757,740	1,065,822	1,823,562
Gain on derivatives	288	-	288	420	-	420	708	-	708
Finance income	31,158	1,313	32,471	3,013	160	3,173	34,171	1,473	35,644
Finance costs	(61,692)	(48,753)	(110,445)	(20,582)	(7,053)	(27,635)	(82,274)	(55,806)	(138,080)
Share of profit from associates	116,598	(116,848)	(250)	21,625	(8,176)	13,449	138,223	(125,024)	13,199
Share of profit from jointly controlled entities	89,329	-	89,329	69,943	-	69,943	159,272	-	159,272
Profit before tax	453,225	192,932	646,157	554,615	693,533	1,248,148	1,007,840	886,465	1,894,305
Income tax expense	(75,397)	-	(75,397)	(35,470)	(10,000)	(45,470)	(110,867)	(10,000)	(120,867)
Profit for the year	377,828	192,932	570,760	519,145	683,533	1,202,678	896,973	876,465	1,773,438
Attributable to:-									
- Owners of the parents	354,045	7,678	361,723	485,213	653,539	1,138,752	839,258	661,217	1,500,475
- Non-controlling interests	23,783	185,254	209,037	33,932	29,994	63,926	57,715	215,248	272,963
	377,828	192,932	570,760	519,145	683,533	1,202,678	896,973	876,465	1,773,438
Profit for the year	377,828	192,932	570,760	519,145	683,533	1,202,678	896,973	876,465	1,773,438
Foreign currency translation differences for foreign operation	26,458	-	26,458	(6,139)	-	(6,139)	20,319	-	20,319
Cash flow hedge reserve - Fair value gains									
- Fair value from derivatives	65,633	(466)	65,167	10,268	(1,377)	8,891	75,901	(1,843)	74,058
- Amount recycled to profit or loss	(61,382)	-	(61,382)	(11,576)	-	(11,576)	(72,958)	-	(72,958)
Other comprehensive income for the year, net of income tax	30,709	(466)	30,243	(7,447)	(1,377)	(8,824)	23,262	(1,843)	21,419
Total comprehensive income for the year	408,537	192,466	601,003	511,698	682,156	1,193,854	920,235	874,622	1,794,857
Attributable to:-									
- Owners of the parents	382,152	33,597	415,749	477,636	625,777	1,103,413	859,788	659,374	1,519,162
- Non-controlling interests	26,385	158,869	185,254	34,062	56,379	90,441	60,447	215,248	275,695
	408,537	192,466	601,003	511,698	682,156	1,193,854	920,235	874,622	1,794,857

* Revenue as per Note B1.

Statements of comprehensive income for the year ended 31 December 2012

	9 months period ended 30.09.2012			3 months period ended 31.12.2012			12 months period ended 31.12.2012		
	As announced RM'000	FRS 10 adjustment RM'000	As restated RM'000	Before FRS 10 adjustments RM'000	FRS 10 adjustment RM'000	As announced RM'000	Before FRS 10 adjustments RM'000	FRS 10 adjustment RM'000	As announced RM'000
Revenue	2,677,833	209,236	2,887,069	1,171,382	70,386	1,241,768	3,849,215	279,622	4,128,837
Operating expenses	(2,474,304)	(39,542)	(2,513,846)	(1,092,092)	(8,862)	(1,100,954)	(3,566,396)	(48,404)	(3,614,800)
Other operating income	67,168	230,338	297,506	153,129	(122,060)	31,069	220,297	108,278	328,575
Profit from operations	270,697	400,032	670,729	232,419	(60,536)	171,883	503,116	339,496	842,612
Gain on derivatives	110	-	110	270	-	270	380	-	380
Finance income	22,977	1,131	24,108	(268)	345	77	22,709	1,476	24,185
Finance costs	(83,793)	(54,603)	(138,396)	(15,764)	(17,910)	(33,674)	(99,557)	(72,513)	(172,070)
Share of profit from associates	139,310	(139,453)	(143)	12,997	(12,286)	711	152,307	(151,739)	568
Share of profit from jointly controlled entities	71,158	-	71,158	72,829	-	72,829	143,987	-	143,987
Profit before tax	420,459	207,107	627,566	302,483	(90,387)	212,096	722,942	116,720	839,662
Income tax expense	(81,234)	10,000	(71,234)	(44,148)	-	(44,148)	(125,382)	10,000	(115,382)
Profit for the year	339,225	217,107	556,332	258,335	(90,387)	167,948	597,560	126,720	724,280
Attributable to:-									
- Owners of the parents	313,055	(20,786)	292,269	217,570	(71,013)	146,557	530,625	(91,799)	438,826
- Non-controlling interests	26,170	237,893	264,063	40,765	(19,374)	21,391	66,935	218,519	285,454
	339,225	217,107	556,332	258,335	(90,387)	167,948	597,560	126,720	724,280
Profit for the year	339,225	217,107	556,332	258,335	(90,387)	167,948	597,560	126,720	724,280
Foreign currency translation differences for foreign operation	(40,490)	-	(40,490)	41,472	-	41,472	982	-	982
Cash flow hedge reserve - Fair value gains									
- Fair value from derivatives	(20,858)	15,079	(5,779)	734	(11,017)	(10,283)	(20,124)	4,062	(16,062)
- Amount recycled to profit or loss	28,665	(12,350)	16,315	3,603	12,350	15,953	32,268	-	32,268
Other comprehensive income for the year, net of income tax	(32,683)	2,729	(29,954)	45,809	1,333	47,142	13,126	4,062	17,188
Total comprehensive income for the year	306,542	219,836	526,378	304,144	(89,054)	215,090	610,686	130,782	741,468
Attributable to:-									
- Owners of the parents	294,292	(6,277)	288,015	254,992	(84,017)	170,975	549,284	(90,294)	458,990
- Non-controlling interests	12,250	226,113	238,363	49,152	(5,037)	44,115	61,402	221,076	282,478
	306,542	219,836	526,378	304,144	(89,054)	215,090	610,686	130,782	741,468

A1 Accounting Policies and Basis of Preparation (contd)

Pursuant to the completion of the disposal of 20% equity interest in SRM and the establishment of a joint venture arrangement, the Group has accounted SRM and Sunway REIT as jointly controlled entity and associate respectively. The financial effects from the change in control of SRM and Sunway REIT as disclosed in note A4. Further details on the disposal are disclosed in note B7.

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 December 2013 except for the following:

a) Current and preceding year corresponding quarter

	31/12/13 RM'million	31/12/12 RM'million
Profit before tax as reported	1,248.1	212.1
Gain on derivatives ¹	(0.4)	(0.3)
Fair value gain from investment properties ²	(190.9)	(23.8)
Gain on disposal of a subsidiary ⁵	(27.0)	-
Fair value gain on remeasurement of the remaining equity interest upon change in control:		
- in a jointly controlled entity ⁵	(108.0)	-
- in an associate ⁵	(297.9)	-
Net gain on disposal of assets to REIT ⁶	-	(97.8)
Results arising from consolidation of Sunway REIT ⁷	(395.8)	98.8
Fair value of ESOS option ⁸	(1.4)	-
Profit before tax excluding unusual items	226.7	189.0
Profit after tax and non-controlling interests as reported	1,138.8	146.6
Gain on derivatives ¹	(0.4)	(0.3)
Fair value gain from investment properties ²	(173.2)	(20.4)
Reversal of deferred taxation ³	(17.8)	(7.2)
Gain on disposal of a subsidiary ⁵	(27.0)	-
Fair value gain on remeasurement of the remaining equity interest upon change in control:		
- in a jointly controlled entity ⁵	(108.0)	-
- in an associate ⁵	(297.9)	-
Net gain on disposal of assets to REIT ⁶	-	(75.4)
Results arising from consolidation of Sunway REIT ⁷	(355.6)	70.9
Fair value of ESOS option ⁸	(1.4)	-
Profit after tax and non-controlling interests excluding unusual items	157.5	114.2

b) Cumulative current and preceding year to date

	31/12/13 RM'million	31/12/12 RM'million
Profit before tax as reported	1,894.3	839.7
Gain on derivatives ¹	(0.7)	(0.4)
Fair value gain from investment properties ²	(190.9)	(23.8)
Professional fees ³	1.6	-
Share of fair value gain from associate ⁴	(59.7)	(76.5)
Gain on disposal of a subsidiary ⁵	(27.0)	-
Fair value gain on remeasurement of the remaining equity interest upon change in control:		
- in a jointly controlled entity ⁵	(108.0)	-
- in an associate ⁵	(297.9)	-
Net gain on disposal of assets to REIT ⁶	-	(97.8)
Results arising from consolidation of Sunway REIT ⁷	(588.9)	(116.8)
Fair value of ESOS option ⁸	38.3	-
Profit before tax excluding unusual items	661.1	524.4
Profit after tax and non-controlling interests as reported	1,500.5	438.8
Gain on derivatives ¹	(0.7)	(0.4)
Fair value gain from investment properties ²	(173.2)	(20.4)
Professional fees ³	1.6	-
Reversal of deferred taxation ³	(27.8)	(7.2)
Fair value gain from associate ⁴	(59.7)	(76.5)
Gain on disposal of a subsidiary ⁵	(27.0)	-
Fair value gain on remeasurement of the remaining equity interest upon change in control:		
- in a jointly controlled entity ⁵	(108.0)	-
- in an associate ⁵	(297.9)	-
Net gain on disposal of assets to REIT ⁶	-	(75.4)
Results arising from consolidation of Sunway REIT ⁷	(363.4)	91.8
Fair value of ESOS option ⁸	38.3	-
Profit after tax and non-controlling interests excluding unusual items	482.7	350.7

Notes:

¹ The Group recognised RM0.4 million and RM0.3 million (profit before and after tax and non-controlling interests) in gain on derivatives respectively as a result of the effects of FRS 139: Financial Instruments: Recognition and Measurement. The Group recognised RM0.7 million and RM0.4 million in gain on derivatives for the year ended 31 December 2013 and 31 December 2012 respectively.

² During the quarter ended 31 December 2013, the Group recognised RM190.9 million (profit before tax) and RM173.2 million (profit after tax and non-controlling interests) of fair value from its investment properties, as explained in Note A9. For the corresponding quarter ended 31 December 2012, the Group recognised RM23.8 million (profit before tax) and RM20.4 million (profit after tax and non-controlling interests) of fair value gain from its investment properties respectively.

³ During the quarter ended 31 December 2013, the Group reversed RM17.8 million (profit after tax and non-controlling interests) on deferred tax in relation to the fair value gain from investment properties in prior year due to change in Real Properties Gain Tax rate. For the year ended 31 December 2013, the Group reversed the provision of deferred taxation RM10.0 million made pertaining to the sale of Sunway Medical Centre to Sunway REIT in the previous year, as a result of the successful tax appeal obtained from the tax authority. The Group incurred RM1.6 million professional fee in relation to it. For the corresponding quarter ended 31 December 2012, the Group reversed RM7.2 million of deferred tax provided on investment properties of the Group on the basis that the carrying value will be recovered through sale pursuant to Amendments to FRS 112: Deferred Tax - Recovery of Underlying Assets.

⁴ The Group recognised RM59.7 million and RM76.5 million (profit before and after tax and non-controlling interests) as share of fair value gain from Sunway REIT for the year ended 31 December 2013 and 31 December 2012 respectively.

⁵ During the quarter, the Group recognised a gain of RM27.0 million (profit before tax and profit after tax and non-controlling interests) on the disposal of 20% equity interest in SRM. The Group also recognised fair value gains of RM108.0 million and RM297.9 million (profit after tax and non-controlling interests) arising from the re-measurement of the Group's remaining interest in SRM and the shareholding at Sunway REIT, respectively upon the change in control. This is in accordance with the requirements of FRS 10.

⁶ During the corresponding quarter ended 31 December 2012, the Group recognised RM97.8 million (profit before tax) and RM75.4 million (profit after tax and non-controlling interest and consolidated elimination) of profits on disposal following the completion of the disposal of the Group's interest in the land and building of Sunway Medical Centre Berhad ("SMC") together with SMC's plant and machinery, services infrastructure and all fixtures and fittings affixed or located or used in SMC.

⁷ Pursuant to the adoption of FRS 10, the Group is required to consolidate the financial position and financial results of Sunway REIT and the adjustments are to be made retrospectively. However, no consolidation is required upon the change in control after the disposal of 20% in SRM, as the Group is viewed to have a joint control in SRM. Consequently, the Group recognised accounting adjustments amounting to RM395.8 million (profit before tax) and RM355.6 million (profit after tax and non-controlling interests) taken up in the previous financial years during the quarter ended 31 December 2013, and RM98.8 million (profit before tax) and RM70.9 million (profit after tax and non-controlling interests) during the quarter ended 31 December 2012.

Pertaining to the above, accounting adjustments amounting to RM588.9 million (profit before tax) and RM363.4 million (profit before tax and non-controlling interests) taken up in the previous financial years are reversed for the year ended 31 December 2013. As for the year ended 31 December 2012, accounting adjustments amounting to RM116.8 million (profit before tax) and RM91.8 million (profit before tax and non-controlling interests) was made.

⁸ During the quarter, the Group made a reversal on fair value expenses of RM1.4 million for ESOS option granted on 3 September 2013. The Group incurred a total fair value expense of RM38.3 million for the year ended 31 December 2013. The ESOS fair value expenses 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 December 2013.

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

During the financial period ended 31 December 2013, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 430,868,877 ordinary shares of RM1.00 each pursuant to the rights issue with 31,232,424 additional Sunway Warrants
- (b) issuance of 115,678 ordinary shares of RM1.00 each pursuant to the exercise of the warrants; and
- (c) issuance of 34,200 ordinary shares of RM1.00 each pursuant of exercise of Employees' Share Option Scheme ("ESOS").

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 December 2013, the following payments of dividend have been made:

- (a) RM77,550,309 were paid on 30 April 2013 as interim single tier dividend of 6% per ordinary share of RM1.00 each for the financial year ended 31 December 2012.
- (b) RM86,174,450 were paid on 1 October 2013 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 December 2013, 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	1,167,077	815,785	1,590,926	586,737	197,716	-	375,414	-	4,733,655
Inter-segment sales	131	75,614	250,333	167,700	7,146	309,097	33,192	(843,213)	-
Total Revenue	1,167,208	891,399	1,841,259	754,437	204,862	309,097	408,606	(843,213)	4,733,655
Results									
Operating segment results	225,274	1,359,016	42,779	44,528	19,886	116,083	15,996	-	1,823,562
Gain on derivatives	-	-	369	-	-	339	-	-	708
Finance income	10,340	13,535	3,949	302	988	(5,673)	12,203	-	35,644
Finance costs	(16,079)	(131,543)	(3,921)	(3,620)	(210)	22,151	(4,858)	-	(138,080)
Share of results of associated companies	2	13,347	-	(99)	-	-	(51)	-	13,199
jointly controlled entities	125,114	1,488	32,670	-	-	-	-	-	159,272
Profit before taxation	344,651	1,255,843	75,846	41,111	20,664	132,900	23,290	-	1,894,305
Taxation	(52,743)	(19,650)	(24,202)	(10,104)	(6,206)	(1,538)	(6,424)	-	(120,867)
Profit for the period	291,908	1,236,193	51,644	31,007	14,458	131,362	16,866	-	1,773,438
Non controlling interests	(49,513)	(225,954)	2,044	(699)	-	292	867	-	(272,963)
Attributable to owners of the parent	242,395	1,010,239	53,688	30,308	14,458	131,654	17,733	-	1,500,475

	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	4,158,483	1,697,055	1,589,494	1,318,004
Singapore	294,327	177,329	166,946	166,946
China	112,962	(14,344)	(14,981)	(10,376)
India	53	(3,470)	(3,504)	(3,504)
Australia	57,782	8,469	8,302	3,804
United Arab Emirates	18,157	22,048	22,048	21,665
Other Countries	91,891	7,218	5,133	3,936
	4,733,655	1,894,305	1,773,438	1,500,475

Core segmental results (excluding unusual items as per Note A4) for the financial period ended 31 December 2013 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	1,167,077	578,264	1,621,656	586,784	197,716	-	376,108	-	4,527,605
Inter-segment sales	131	34,252	219,603	195,422	5,542	309,048	37,648	(801,646)	-
Total Revenue	1,167,208	612,516	1,841,259	782,206	203,258	309,048	413,756	(801,646)	4,527,605
Results									
Operating segment results	228,153	111,244	47,377	46,643	21,164	(7,918)	24,758	-	471,421
Finance income	10,337	11,678	3,949	302	988	(5,286)	12,203	-	34,171
Finance costs	(16,079)	(75,737)	(3,921)	(3,620)	(210)	22,151	(4,858)	-	(82,274)
Share of results of associated companies	2	78,674	-	(99)	-	-	(51)	-	-
jointly controlled entities	125,114	1,488	32,670	-	-	-	-	-	159,272
Profit before taxation	347,527	127,347	80,075	43,226	21,942	8,947	32,052	-	661,116
Taxation	(52,698)	(26,457)	(24,362)	(10,104)	(6,206)	(1,538)	(6,424)	-	(127,789)
Profit for the period	294,829	100,890	55,713	33,122	15,736	7,409	25,628	-	533,327
Non controlling interests	(49,511)	(3,640)	2,044	(699)	-	292	907	-	(50,607)
Attributable to owners of the parent	245,318	97,250	57,757	32,423	15,736	7,701	26,535	-	482,720

	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	3,952,433	461,921	347,443	298,309
Singapore	294,327	178,603	168,220	168,220
China	112,962	(13,948)	(14,590)	(9,985)
India	53	(3,470)	(3,504)	(3,504)
Australia	57,782	8,469	8,302	3,804
United Arab Emirates	18,157	22,291	22,291	21,908
Other Countries	91,891	7,250	5,165	3,968
	4,527,605	661,116	533,327	482,720

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, except for the following directors' revaluation during the year based on a professional valuer's opinion:

Company	Fair value	Carrying amount	Fair value	Fair value gain/(loss) after tax and non-controlling interests
	as at	as at	gain/(loss)	
	31.12.2013	31.12.2013	RM'000	RM'000
Sunway Intergrated Properties Sdn. Bhd.	214,400	105,769	108,631	101,649
Sunway Pyramid Development Sdn. Bhd.	310,886	288,588	22,298	21,183
Sunway Monash-U Residence Sdn. Bhd.	226,322	209,664	16,658	11,187
Sunway Destiny Sdn. Bhd.	254,947	244,947	10,000	9,450
Sunway Residence Sdn. Bhd.	67,800	60,800	7,000	6,650
Sunway Lagoon Sdn. Bhd.	19,158	12,604	6,554	6,226
Sunway Dimension Stones Sdn. Bhd.	12,000	8,868	3,132	3,292
Sunway MUSC Sdn. Bhd.	224,030	219,146	4,884	4,849
Sunway Pinnacle Sdn. Bhd.	249,000	244,692	4,308	4,093
Others	225,762	218,309	7,453	4,667
Total	1,804,305	1,613,387	190,918	173,246

A10 Material events

There were no material events subsequent to the current quarter ended 31 December 2013.

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 December 2013.

A12 Contingent Liabilities and Assets

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

	31/12/2013	31/12/2012
	RM'000	RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>2,876,015</u>	<u>2,984,633</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 December 2013 is as follows:

	31/12/2013 RM'000	31/12/2012 RM'000
Amount authorised and contracted for	71,746	112,137
Amount authorised but not contracted for	635,581	1,213,986
	<u>707,327</u>	<u>1,326,123</u>

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

	31/12/2013 RM'000	31/12/2012 RM'000
Future minimum lease payment:		
- not later than 1 year	77,754	76,361
- later than 1 year and not later than 5 years	258,348	260,557
- later than 5 years	184,601	233,453
	<u>520,703</u>	<u>570,371</u>
Future minimum lease receipts:		
- not later than 1 year	54,664	47,994
- later than 1 year and not later than 5 years	189,059	196,541
- later than 5 years	338,825	370,890
	<u>582,548</u>	<u>615,425</u>

B1 Review of Performance

For the quarter

The Group recorded revenue of RM1,322.4 million (before FRS10 adjustment as per Note A1) and profit before tax of RM226.7 million (after excluding unusual items as per Note A4) for the current quarter ended 31 December 2013 compared to revenue of RM1,171.3 million and profit before tax of RM189.0 million in the corresponding quarter in the previous financial year. The higher revenue in the current quarter was mainly due to higher revenue achieved in the property development and construction segments. Besides the higher revenue, the stronger current profit was also contributed by the additional interest income received from the recent rights issue proceeds and write back of some provisions which were made in the previous quarters.

The property development segment recorded revenue of RM417.2 million and profit before tax of RM130.7 million in the current quarter compared to revenue of RM386.6 million and profit before tax of RM137.1 million in the corresponding quarter of the previous financial year. The higher revenue in the current quarter was underpinned by strong sales achieved in most of our property developments. However, the profit before tax was slightly lower compared to the corresponding quarter in the previous year due to higher operating cost and lower profit recognition from some of the local and Singapore property projects.

The property investment segment recorded revenue of RM165.8 million and profit before tax of RM44.2 million in the current quarter compared to revenue of RM162.8 million and profit before tax of RM47.5 million in the corresponding quarter of the previous financial year. Although the current revenue recorded for this segment was slightly higher, the current profit before tax was lower when compared to the corresponding quarter profit of the previous financial year. This was partly due to the one-off acquisition fee received following the acquisition of the land and building from Sunway Medical Centre by Sunway REIT, which boosted the previous corresponding quarterly profit.

The construction segment recorded revenue of RM443.0 million and profit before tax of RM18.3 million in the current quarter compared to revenue of RM360.3 million and profit before tax of RM17.0 million in the corresponding quarter in the previous financial year. The increase in revenue was due to higher progress billings from its civil construction and building works. However, the current profit was partly offset by an approximate RM28.0 million provision for doubtful debts in respect of the outstanding balance receivable from one of the building contracts in Abu Dhabi.

The trading and manufacturing segment recorded revenue of RM133.7 million and profit before tax of RM9.4 million for the current quarter compared to revenue of RM122.7 million and profit before tax of RM7.6 million in the corresponding quarter in the previous financial year. The improved performance was mainly due to improved sales in heavy machineries and higher profit contribution from its Singapore and China operations.

The quarry segment recorded revenue of RM50.5 million and profit before tax of RM 4.8 million for the current quarter compared to revenue of RM57.2 million and profit before tax of RM5.0 million in the corresponding quarter in the previous financial year. The slight drop in performance was mainly due to the lower contribution from its Caribbean project in the current quarter.

Other segments recorded revenue of RM112.3 million and profit before tax of RM10.5 million for the current quarter compared to revenue of RM76.7 million and loss before tax of RM1.5 million in the corresponding quarter in the previous financial year. The improved performance was mainly due to higher contribution from the healthcare and building material divisions.

For the 12 month period

The Group recorded revenue of RM4,527.6 million and profit before tax of RM661.1 million (after excluding unusual items as per Note A4) for the 12 months ended 31 December 2013 compared to revenue of RM3,849.2 million and profit before tax of RM524.4 million in the corresponding 12 months ended 31 December 2012. The stronger financial results were due to improved performance across all our business segments with higher profit contribution from the property development, construction, quarry and healthcare segments. The Group profit was also boosted by the additional interest income received from the recent rights issue proceeds and write back of some provisions which were made previously.

The property development segment recorded revenue of RM1,167.1 million and profit before tax of RM347.5 million for the 12 months ended 31 December 2013 compared to revenue of RM912.0 million and profit before tax of RM305.8 million for the 12 months ended 31 December 2012, representing a growth in revenue and profit before tax of approximately 28% and 14%, respectively. The better performance was in line with the strong sales recorded during the year from those recently launched projects and on-going projects. Furthermore, the five on-going property development projects in Singapore which were fully sold, also contributed strongly to the current profit.

The property investment segment recorded revenue of RM578.3 million and profit before tax of RM127.3 million for the 12 months ended 31 December 2013 compared to revenue of RM585.2 million and profit before tax of RM126.9 million for the 12 months ended 31 December 2012. Despite a slight drop in the revenue, the profitability of this business segment was still satisfactory.

The construction segment recorded revenue of RM1,621.7 million and profit before tax of RM80.1 million for the 12 months ended 31 December 2013 compared to revenue of RM1,274.9 million and profit before tax of RM65.4 million for the 12 months ended 31 December 2012, representing a revenue and profit before tax growth of approximately 27% and 24%, respectively. The increase in revenue and profit before tax was due to stronger progress billings of the local civil and building projects coupled with stronger contribution from its precast concrete products business in Singapore. However, the resulting profit was partly offset by an approximate RM28.0 million provision for doubtful debts in respect of one outstanding balance receivable from one of the building contracts in Abu Dhabi.

The trading and manufacturing segment recorded revenue of RM586.8 million and profit before tax of RM43.2 million for the 12 months ended 31 December 2013 compared to revenue of RM558.7 million and profit before tax of RM41.5 million for the 12 months ended 31 December 2012. Despite the challenging market condition in Indonesia and Australia, the overall performance of this business segment was still satisfactory.

The quarry segment recorded revenue of RM197.7 million and profit before tax of RM21.9 million for the 12 months ended 31 December 2013 compared to revenue of RM196.9 million and profit before tax of RM12.2 million in the 12 months ended 31 December 2012. The strong performance was mainly due to higher selling price and better cost management at the quarry sites.

Other segments recorded revenue of RM376.1 million and profit before tax of RM32.1 million for the 12 months ended 31 December 2013 compared to revenue of RM314.6 million and profit before tax of RM13.7 million in the 12 months ended 31 December 2012. The better financial results were mainly due to improved performance from the healthcare and building materials divisions.

B2 Material Changes in the Quarterly Results

The Group recorded revenue of RM1,322.4 million and profit before tax of RM226.7 million (after excluding unusual items as per Note A4) for the current quarter ended 31 December 2013 compared to revenue of RM1,066.1 million and profit before tax of RM159.4 million achieved in the preceding quarter. The increase in revenue was mainly due to the higher revenue recorded in the property development, property investment and construction segments. Besides the higher revenue, the stronger current profit was also boosted by the additional interest income received from the recent rights issue proceeds and write back of some provisions which were made previously.

The property development segment recorded revenue of RM417.2 million and profit before tax of RM130.7 million in the current quarter compared to revenue of RM260.3 million and profit before tax of RM90.4 million in the preceding quarter. The stronger current profit was mainly due to the higher sales revenue which was underpinned by stronger sales recorded and higher progressive sales billings from most of our local development projects. The current profit was also boosted by a higher profit contribution from our Singapore property projects.

The property investment segment recorded revenue of RM165.8 million and profit before tax of RM44.2 million for the current quarter compared to revenue of RM137.0 million and profit before tax of RM24.6 million in the preceding quarter. The higher profit in the current quarter was in line with the strong year end seasonality factor, which boosted the performance of the leisure and hospitality division with higher visitorship and hotel occupancy during the festive and school holiday season.

The construction segment recorded revenue of RM443.0 million and profit before tax of RM18.3 million in the current quarter compared to revenue of RM376.5 million and profit before tax of RM15.5 million in the preceding quarter. The increase in profit during the quarter was in tandem with the increase in revenue but the resulting profit was partly offset by an approximate RM28.0 million provision for doubtful debts in respect of the outstanding balance receivable from one of the building contracts in Abu Dhabi.

The trading and manufacturing segment recorded revenue of RM133.7 million and profit before tax of RM9.4 million in the current quarter compared to revenue of RM151.9 million and profit before tax of RM10.8 million in the preceding quarter. Although the market condition was still challenging, particularly in Indonesia and Australia, the overall performance of this business segment was still satisfactory.

The quarry segment recorded revenue of RM50.5 million and profit before tax of RM4.8 million in the current quarter compared to revenue of RM47.1 million and profit before tax of RM5.4 million in the preceding quarter. The lower current profit was mainly due to the lower profit contribution from the Caribbean project, which was in the process of ceasing operation.

Other segments recorded revenue of RM112.3 million and profit before tax of RM10.5 million in the current quarter compared to revenue of RM94.3 million and profit before tax of RM8.9 million in the preceding quarter. The improved performance was mainly due to stronger profit contribution from the healthcare division.

B3 Prospects

While the Group expects the recent property cooling measures announced by the Government may affect the property market sentiment in the short to medium term, the Group is, nevertheless, confident of achieving its sales target for 2014. This is due to the prime location of the new projects which are scheduled to be launched this year. In addition, most of the new projects have also incorporated the unique integrated features pioneered by the Group in their development which will further improve their sales prospect.

In terms of economic outlook, it is encouraging to note that the Malaysian economy, as per Ministry of Finance announcement in Budget 2014, is forecasted to grow above 5% in 2014 compared to 4.7% growth for last year. The higher growth expectation is going to be led by the export sector which is expected to benefit from the improving global economy underpinned by the recovering Eurozone and stronger US economy. Such developments augur well for the Group as all its business segments will continue to benefit from the relatively buoyant Malaysian economy.

In view of the foregoing and barring any unforeseen circumstances, the Group will continue to perform well.

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 31/12/2013 RM'000	Cumulative Year To Date 31/12/2013 RM'000
Current taxation	(51,276)	(138,786)
Deferred taxation	5,806	17,919
	(45,470)	(120,867)

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/12/2013 RM'000	Cumulative Year To Date 31/12/2013 RM'000
Depreciation and amortisation	(30,176)	(136,905)
Provision/Impairment for:		
- Trade receivables	(39,700)	(36,722)
Write off:		
- Trade receivables	4,548	(626)
Gain/(loss) on disposal of:		
- property, plant and equipment	2,604	5,395
- investment properties	(107)	670
Foreign exchange gain/(loss):		
- Others	12,032	(650)
- Unrealised for hedged items	(11,576)	(72,958)
Cash flow hedge reserve recycled to profit or loss	11,576	72,958

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 renounceable rights issue of up to 594,552,301 new ordinary shares of RM1.00 each in Sunway Berhad ("Rights Shares") and proposed establishment of an Employees' Share Option Scheme ("ESOS")

On 5 April 2013, Sunway Berhad ("Company") had announced its proposal to undertake a renounceable rights issue of up to 594,552,301 Rights Shares at an issue price of RM1.70 per Rights Shares ("Issue Price"), on the basis of one Rights Share for every three existing ordinary shares of RM1.00 each ("Sunway Shares"), held by the shareholders of the Company on an entitlement date to be determined later ("Entitlement Date") ("Entitled Shareholders").

The maximum number of 594,552,301 Rights Shares was arrived at after taking into account the following:

- issued and paid-up share capital of the Company as at 31 December 2013 of RM1,292,505,152 comprising 1,292,505,152 Sunway Shares;
- assuming the full exercise of all 258,500,852 outstanding Company warrants 2011/2016 ("Sunway Warrants") as at 31 December 2013 ("Outstanding Sunway Warrants") into 258,500,852 new Sunway Shares prior to the implementation of the Proposed ESOS;
- assuming 232,650,900 ESOS Options (as defined below), being the maximum number of ESOS Options (as defined below) made available under the Proposed ESOS (15% of the then issued and paid-up share capital of the Company), are fully granted in a single tranche, and fully vested and exercised into 232,650,900 new Sunway Shares; and
- the ESOS Shares (as defined below) are allotted prior to the Entitlement Date.

Any unsubscribed Rights Shares shall be made available for excess applications by other Entitled Shareholders and/or their renounee(s). It is the intention of the Board of Directors of the Company ("the Board") to allocate the excess Rights Shares, if any, in a fair and equitable manner as they may deem fit or expedient, and in the best interest of the Company.

Any fractional entitlements of the Rights Shares under the Proposed Rights Issue will be disregarded and shall be dealt with in such manner as the Board shall in their absolute discretion deems fit or expedient and in the best interest of the Company.

The Proposed Rights Issue would enable the Company to raise funds to part finance its capital expenditure including for the development of its investment properties, land bank acquisitions and purchase of property, plant and equipment, repayment of existing borrowings and for its general working capital requirements which are expected to contribute positively to the future profitability of the Group.

On the same date, the Company proposed to establish and implement an ESOS for the granting of option(s) ("ESOS Option(s)") to subscribe for new Sunway Shares to the eligible executive directors and employees of the Company and its subsidiaries (excluding dormant subsidiaries) (collectively referred to as "Participating Sunway Group") who fulfil the eligibility criteria ("Eligible Persons"), subject to the terms and conditions of the by-laws governing the Proposed ESOS ("By-Laws").

The number of ESOS Options to be vested onto the Grantee in each Annual Vesting is based on the Grantee's level of performance for the calendar year prior to the date of such Annual Vesting.

The salient features of the Proposed ESOS, which will be governed by the By-Laws, are as follows:

- (a) the Eligibility of the executive director(s) and employee(s) of the Participating Sunway Group;
- (b) maximum number of new Sunway Shares available under the Proposed ESOS shall not exceed in aggregate 15% of the total issued and paid-up share capital of the Company ("Maximum ESOS Shares Available");
- (c) the allocation of new Sunway Shares to be made available for the granting of ESOS Options;
- (d) the duration of the Proposed ESOS;
- (e) the ESOS Option price;
- (f) the ranking of the new ESOS Shares;
- (g) the listing and quotation of new ESOS Shares;
- (h) the utilisation of the gross proceeds from the exercise of the ESOS Options will be made towards the Group's working capital requirements.

The Board believes the implementation of the Proposed ESOS would align the interests of the Eligible Persons with the Company's effort to enhance its shareholders' value.

On 20 May 2013, the Board had decided to amend the total number of ESOS Shares to an amount not exceeding the aggregate of 10% of the total issued and paid-up share capital of Sunway, instead of 15%, which was disclosed in the earlier announcement.

On 21 May 2013, the Company submitted an additional listing application for the following and this was approved by Bursa Securities vide its letter dated 5 June 2013 (which was received on 6 June 2013):

- (i) listing of up to 568,702,201 Rights Shares;
- (ii) listing of such number of ESOS Shares, representing up to 10% of the issued and paid-up ordinary share capital of Sunway (excluding treasury shares);
- (iii) listing of up to 31,252,439 Additional Sunway Warrants arising from the Proposed Rights Issue; and
- (iv) listing of up to 31,252,439 additional Sunway Shares arising from the exercise of Additional Sunway Warrants.

The above approval are subject to the following conditions:

- (1) Sunway and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") pertaining to the implementation of the Proposed Rights Issue;
- (2) Sunway and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue;
- (3) Sunway to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed;

- (4) RHB Investment Bank is required to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting;
- (5) Sunway is required to furnish Bursa Securities on a quarterly basis a summary of the total number of ESOS Shares listed as at the end of each quarter together with a details computation of listing fees payable; and
- (6) Sunway is to comply with Paragraph 6.56(1) of the Listing Requirements.

In addition, the Controller of Foreign Exchange of Bank Negara Malaysia has taken note, vide its letter dated 5 June 2013 (which was received on 6 June 2013), of the issuance of Additional Sunway Warrants to be issued to the non-resident holders pursuant to adjustments in accordance with the provisions of the Deed Poll as a result of the Proposed Rights Issue and any Additional Sunway Warrants to be issued from time to time arising from any adjustments made pursuant to the provisions of the Deed Poll.

As at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 30 July 2013, Sunway had received valid acceptances and excess applications for a total of 571,048,371 Rights Shares. This represents an over subscription of approximately 32.53% over the total number of Rights Shares available under the Rights Issue. Accordingly, the excess Rights Shares will be allocated in accordance with the basis as stated in the abridged prospectus dated 15 July 2013 in relation to the Rights Issue.

On 13 Aug 2013, 430,868,877 Rights Shares and 31,232,424 Additional Sunway Warrants pursuant to the adjustments to the exercise price and the number of outstanding warrants 2011/2016 of Sunway Berhad in accordance with the Deed Poll dated 28 June 2011 governing the Sunway Warrants pursuant to the rights issue, were listed and quoted 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 December 2013 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	28,903	141,097	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	55,328	34,672	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	556,708	175,769	

As the full utilisation of the proceeds raised from the Rights Issue was not immediate and as part of our Group's efficient capital management to minimize funding cost and maximize interest income, our Group had immediately placed the funds which are unutilised amounting to RM245,124,000 with licensed financial institutions and money market funds and had also temporarily deployed RM60,000,000 to repay our Group's existing borrowings. In the coming quarters, our Group would drawdown on the credit facilities accorded to our Group and utilise the funds placed with the financial institutions or money market funds as and when the need arises for the approved utilisation purposes.

The ESOS has been implemented with effect from 3 September 2013.

Disposal of 20% Equity Interest in Sunway REIT Management Sdn. Bhd. ("SRM")

On 14 August 2013, the Company entered into a Share Sale Agreement ("SSA") with Millennium Pavilion Sdn Bhd ("MPSB") for the purpose of disposing 200,000 ordinary shares of RM1.00 each, representing 20% of the issued and paid-up share capital of SRM to MPSB free from all encumbrances, claims, charges, liens and equities and with all rights attaching thereto at a total consideration of RM28,000,000/- ("Proposed Disposal"). The purchase consideration is based on a price earnings ratio of 10 times based on 2012 earnings. The original cost of investment was RM200,000/- which was made on 18 August 2011.

Sunway has also on even date, entered into a Shareholders Agreement ("SA") with MPSB for the purpose of regulating the relationship between Sunway and MPSB as shareholders of SRM ("Proposed Joint

There are no liabilities (including contingent liabilities and guarantees) to be assumed by Sunway arising from the Proposed Disposal and Proposed Joint Venture.

The Proposed Joint Venture does not require approval from the shareholders of Sunway or any relevant authorities. However, the Proposed Disposal is subject to approval/consent of the SC. Barring any unforeseen circumstances and subject to the approval of the relevant authorities and fulfillment of all conditions precedent.

Salient terms and conditions of the SSA

The completion of the Proposed Disposal is conditional upon the fulfillment of the following conditions within 3 months from the date of the SSA or such other date as may be mutually agreed to in writing between Sunway and MPSB ("Cut-Off Date"):-

- (i) SRM having obtained the approval of Securities Commission ("SC") for the change in the shareholding of SRM vis-à-vis its continuing eligibility to be a management company of Sunway REIT, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and
- (ii) SRM having obtained the approval of the SC for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

Salient terms and conditions of the SA

SA is subject to and conditional upon the completion of the Proposed Disposal under the SSA by the Cut-Off Date.

Upon completion of the Proposed Disposal, the shareholding of Sunway and MPSB in SRM will be in the proportion of 80%:20%.

The SA also provides that :-

- (i) Sunway shall be entitled to nominate and appoint four (4) directors whilst MPSB shall be entitled to nominate and appoint one (1) director in SRM;
- (ii) The chief executive officer of SRM shall be appointed by the board of SRM as a Directors' Reserved Matter, which requires the affirmative votes of at least one (1) director representative each from Sunway and MPSB; and
- (iii) Sunway shall have the right to nominate chief financial controller and the asset managers of Sunway REIT for the approval of the SRM's board.

Salient terms and conditions of the SA (cont)

Rationale

The shareholders of MPSB comprise distinguished individuals namely Dato' Lim Say Chong, Mr Oh Kim Sun and Mr Ng Sing Hwa with a wealth of experience in the property, banking and manufacturing industries. With their extensive experience in the corporate world and wide network of contacts, MPSB would be able to add value to SRM by providing additional leads for property acquisition as well as strategic insights at SRM's board level as MPSB will be granted a seat on the board of SRM.

In addition, the Proposed Disposal will enable the Group to raise cash proceeds of RM28 million from the disposal consideration and realizes an immediate gain on disposal of RM26 million.

Subsequent to the Proposed Disposal, the Group will not be required to consolidate the financials of Sunway REIT under the new "Financial Reporting Standard 10 – Consolidated Financial Statements" which takes effect from 1 January 2013.

Effects Of The Proposed Disposal And Proposed Joint Venture

The Proposed Disposal and Proposed Joint Venture will not have any effect on the share capital and substantial shareholders' shareholding of Sunway as they do not involve any allotment or issuance of new shares by Sunway.

The following approvals for the Proposed Disposal had been obtained on 31 October 2013 from the Securities Commission ("SC"):-

- (a) for the change in the shareholding of Sunway Reit Management Sdn. Bhd. ("SRM") vis-à-vis its continuing eligibility to be a management company of Sunway Real Estate Investment Trust, as a result of the Proposed Disposal pursuant to the Guidelines on Real Estate Investment Trust issued by SC; and
- (b) for the change in the shareholding of SRM which results in a change in its controller pursuant to the Licensing Handbook issued by SC.

The Proposed Disposal and Proposed Joint Venture have been completed on 14 November 2013.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 December 2013 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Borrowings:			
- Current	1,107,235	697,669	1,804,904
- Non-current	931,359	59,197	990,556
	<u>2,038,594</u>	<u>756,866</u>	<u>2,795,460</u>

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) **	6,873	16,946	17,272	42,586
Trinidad & Tobago Dollar (TTD'000) **	-	-	-	-
Chinese Renminbi (RMB'000) **	50,573	5,984	26,167	3,096
Australia Dollar (AUD'000) **	215	21	633	62
<u>Unsecured</u>				
Singapore Dollar (SGD'000) **	2,594	-	6,518	-
Indonesian Rupiah (RP'000) **	10,182,876	3,393,249	2,652	-
			866,050	363,743

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 December 2013 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	13,022	252	489
Interest rate swap contracts			
- 1 year to 3 year	10,921	(66)	219
Total losses on derivatives as per Note A4			708
Cross currency swap contracts			
- 1 year to 3 year	1,073,318	41,842	1,100
Total derivatives		42,028	1,808

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:

	31/12/2013 RM'000	31/12/2012 RM'000
Total retained profit of the Group:-		
Realised	1,047,292	407,697
Unrealised	116,322	103,612
Total share of retained profits from associated companies:		
Realised	179,419	(20,688)
Unrealised	494,293	41,665
Total share of retained profits from Jointly Controlled Entities:		
Realised	398,951	241,014
Unrealised	136,171	-
Less: Consolidation adjustments	(476,695)	(202,267)
Total Group's retained profits as per consolidated accounts	1,895,753	571,033

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, a second interim single tier dividend of 5% per ordinary share of RM1 each for the financial period ended 31 December 2013 amounting to RM86,176,200 has been proposed by the Board of Directors.

B13 Earnings per share

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

	Current Quarter Ended 31/12/2013 RM'000	Cumulative Year To Date 31/12/2013 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	1,138,752	1,500,475
Weighted Average Number of Ordinary Shares	1,723,516	1,576,976
Earnings per share (Basic) (sen)	66.07	95.15
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	1,138,752	1,500,475
Weighted Average Number of Ordinary Shares	1,792,966	1,588,335
Earnings per share (Diluted) (sen)	63.51	94.47

By Order of the Board

**Tan Kim Aun
Chin Lee Chin
Secretaries**