

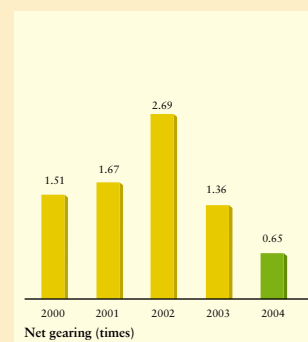
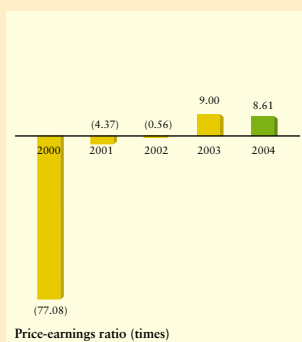
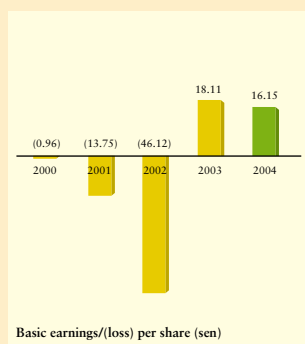
FINANCIAL REVIEW & HIGHLIGHTS

FIVE-YEAR GROUP FINANCIAL SUMMARY

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
REVENUE	1,503,904	1,390,321	1,039,194	998,663	876,932
Profit/(loss) from ordinary activities before tax	94,806	123,497	(145,535)	(64,762)	(17,423)
Tax expense	2,100	(27,637)	(9,823)	1,461	2,080
Profit/(loss) after tax	96,906	95,860	(155,358)	(63,301)	(15,343)
Minority interest	(18,424)	(22,321)	(31,435)	7,634	11,460
Net profit/(loss) for the financial year	78,482	73,539	(186,793)	(55,667)	(3,883)
Property, plant and equipment	218,755	226,410	254,332	356,027	394,515
Investment properties	0	0	13,329	13,898	13,898
Investments	240,228	129,536	185,634	179,306	131,856
Deferred tax assets	11,010	6,387	11,109	16,086	0
Current assets	1,092,549	1,075,394	993,797	1,200,483	1,200,941
Long term debtors	38,473	76,708	83,587	86,890	96,784
Intangible asset	77,104	0	0	42,530	44,850
Land held for property development	70,943	84,572	87,288	0	0
TOTAL ASSETS	1,749,062	1,599,007	1,629,076	1,895,220	1,882,844
Current liabilities	1,086,584	1,026,119	969,430	901,152	1,198,494
Non current borrowings	49,009	51,538	73,380	167,867	50,357
Non current bonds	0	63,884	202,191	256,109	0
Deferred tax liabilities	15,074	18,622	18,709	23,537	18,635
TOTAL LIABILITIES	1,150,667	1,160,163	1,263,710	1,348,665	1,267,486
TOTAL NET ASSETS	598,395	438,844	365,366	546,555	615,358
Minority interest	17,012	134,653	140,309	131,813	141,102
SHAREHOLDERS' EQUITY	581,383	304,191	225,057	414,742	474,256

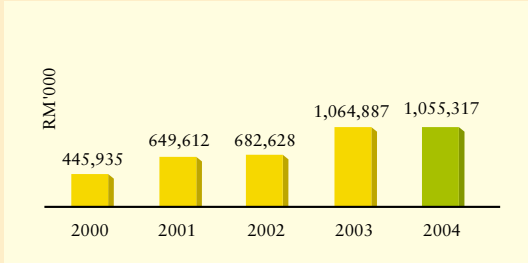
FINANCIAL STATISTICS

Profit/(loss) from ordinary activities before tax to revenue (%)	6.30	8.88	(14.00)	(6.48)	(1.99)
Basic earnings/(loss) per share (sen)	16.15	18.11	(46.12)	(13.75)	(0.96)
Dividends (sen)	3.00	0	0	0	0
Market price (RM)	1.39	1.63	0.26	0.60	0.74
Price-earnings ratio (times)	8.61	9.00	(0.56)	(4.37)	(77.08)
Return on capital employed (ROCE) (%)	20.93	24.02	(10.83)	(3.60)	2.38
Net gearing (times)	0.65	1.36	2.69	1.67	1.51
Net tangible assets per share (sen)	93.55	74.05	55.57	91.91	106.03
Total assets turnover (times)	0.86	0.87	0.64	0.53	0.47
Share capital	539,029	410,812	404,985	404,985	404,985

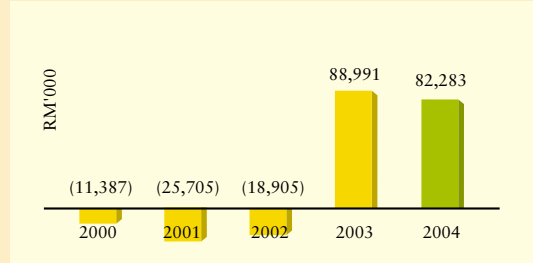


SEGMENTAL PERFORMANCE

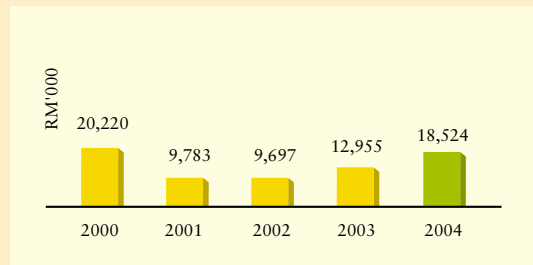
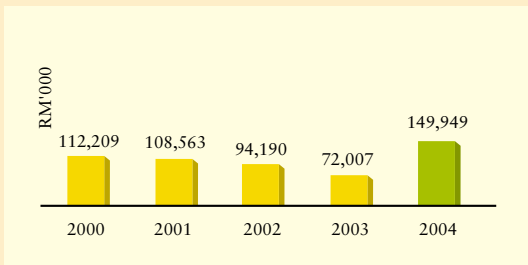
Revenue



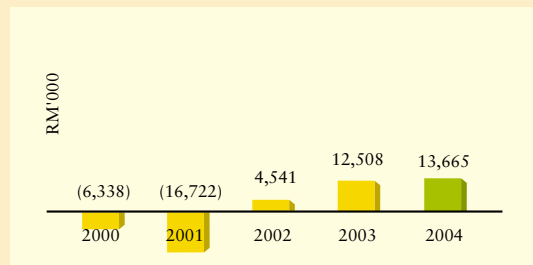
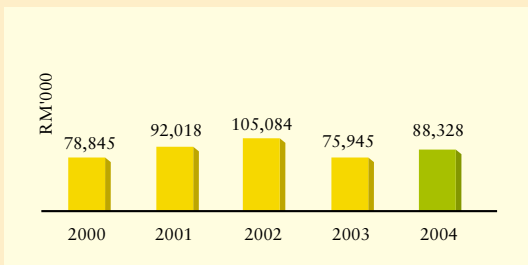
Profit/(loss) from operations



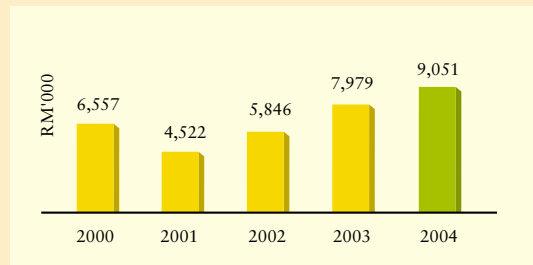
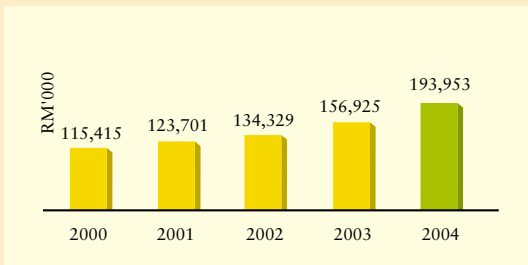
Construction



Property development



Building materials



Trading

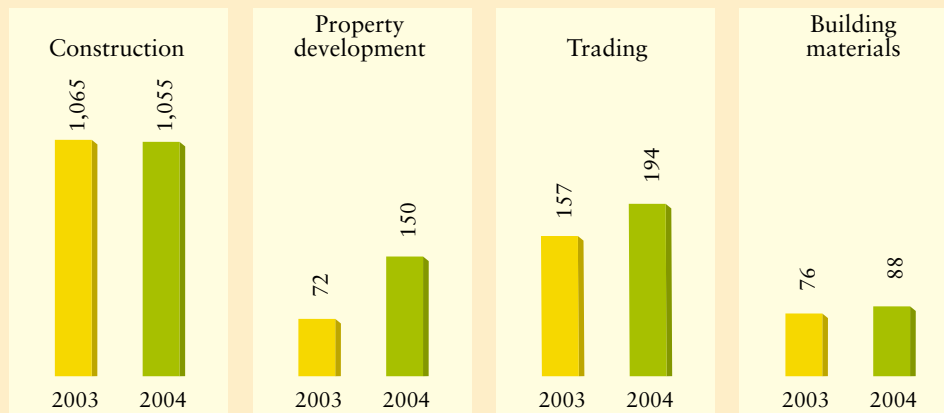
FINANCIAL REVIEW

“The 8% revenue growth was contributed by robust growth in the Property Development and Building Materials divisions and increased volume in the Trading division”.

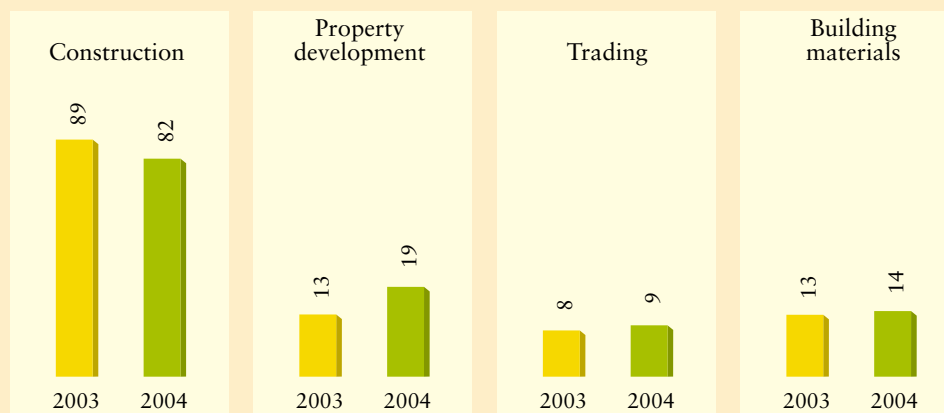
Sunway Holdings Incorporated Berhad Group’s (“the Group”) financial position strengthened during the year 2004 with improved operational performance in our three growth businesses – building materials, property development and trading – each respectively registered a year-on-year profit from operations growth of 9.6%, 43.0% and 13.4%. The Group will continue to support and expand these businesses in order to continuously improve our performance.

The construction division maintained its performance with a marginally lower profit from operations despite a contraction in the Malaysian construction sector of 1.9%. Moving forward, Sunway Construction Sdn Bhd (“SunCon”) is focusing on overseas projects where we can broaden our experience and further capitalise on our existing expertise.

The performance of the Group’s core businesses is graphically presented below.



Revenue (RM million)



Profit from operations (RM million)

CONSOLIDATED INCOME STATEMENTS

	12 months 2004	12 months 2003	Increase / (decrease)
	RM million	RM million	%
Revenue	1,503	1,390	8
Cost of sales	(1,227)	(1,145)	7
Gross profit	276	245	13
Other operating income	55	81	(32)
Operating expenses	(199)	(162)	23
Profit from operations	132	164	(20)
Finance cost	(21)	(30)	(30)
Share of results of associated companies	(16)	(3)	433
Impairment losses of investments in associated companies	0	(8)	(100)
Profit from ordinary activities before tax	95	123	(23)
Tax expense	2	(28)	(107)
Profit after tax	97	95	2
Minority interest	(18)	(22)	(18)
Net profit for the financial year	79	73	8
Basic earnings per share (sen)	16.15	18.11	(11)
Dividends per ordinary share in respect of the financial year (sen)	3.00	0	100
Operating profit margin	9%	12%	(25)
Profit from ordinary activities before tax / Revenue	6%	9%	(33)
Net profit for the financial year / Revenue	5%	5%	0

The 8% revenue growth was contributed by robust growth in the property development and building materials division and increased volume in the trading division. Increase in revenue of these three divisions was partially offset by marginally lower revenue from the construction division.

The profit from operations, disregarding several significant non-recurring items in 2003, demonstrated growth. These non-recurring items include the gain on disposal of non-core subsidiary companies of RM20 million and write back of accrual of RM8.7 million for rock reserves previously guaranteed to Pioneer International Ltd. The lower profit margins in 2004 were also attributed to these non-recurring items.

Sunway Infrastructure Berhad's ("SunInfra") losses contributed negatively to the Group's bottomline. Since SunInfra's tolling operations commenced in July 2004, the toll revenue collected has been significantly lower than the projections provided in the independent traffic consultant's report. Despite the increasing traffic, toll revenue is likely to remain below these projections in the near future. Nevertheless, the experience of other toll concessionaire companies suggest that it normally takes at least 2 years to reach a normalised level of traffic volume and growth.

On the positive side, the Group registered a higher profit after tax and minority interest of RM79 million, a 8% growth from the preceding year.

IMPACT OF THE ASSET-BACKED SECURITISATION EXERCISE (ABS EXERCISE)

During the financial year, the Group sold a portfolio of investment properties to ABS Land & Properties Berhad for RM82.1 million in cash and RM121.3 million in the form of subordinated notes. The ABS exercise was in line with the Group's strategy to focus on our core competencies through the conversion of non-core property assets into cash and redeemable subordinated notes.

Part of the proceeds was used to partially repay existing borrowings which generated interest savings. This has contributed to the 30% reduction of the Group's finance cost in 2004.

The lowered gearing will enable the Group to capitalise on investment opportunities to further enhance shareholders' returns. The Group has already embarked on this process through its recent re-entry into the quarry business and envisages a return to its glory days of being the lowest cost producer and most efficient marketer in the quarry industry.

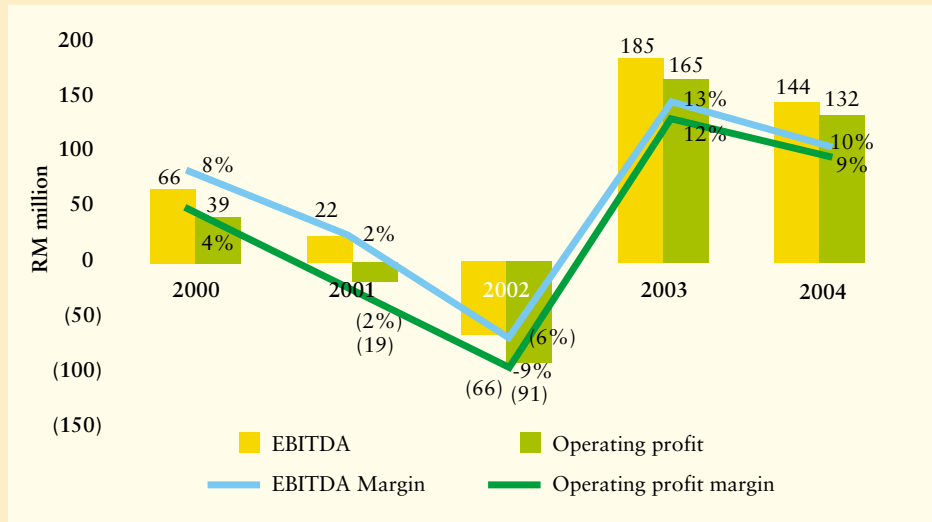
CONSOLIDATED CASH FLOW STATEMENTS

	12 months 2004	12 months 2003	Increase / (decrease)
	RM million	RM million	%
Cash from operations	28	154	(82)
Tax paid	(24)	(22)	9
Tax refund	22	0	100
Interest received	4	5	(20)
Dividends received from other investments	1	1	0
Net cash flow from operating activities	31	138	(78)
Net cash flow from investing activities	(87)	18	(583)
Net cash flow from financing activities	58	(115)	(150)
Net increase/(decrease) in cash and cash equivalents	2	41	(95)

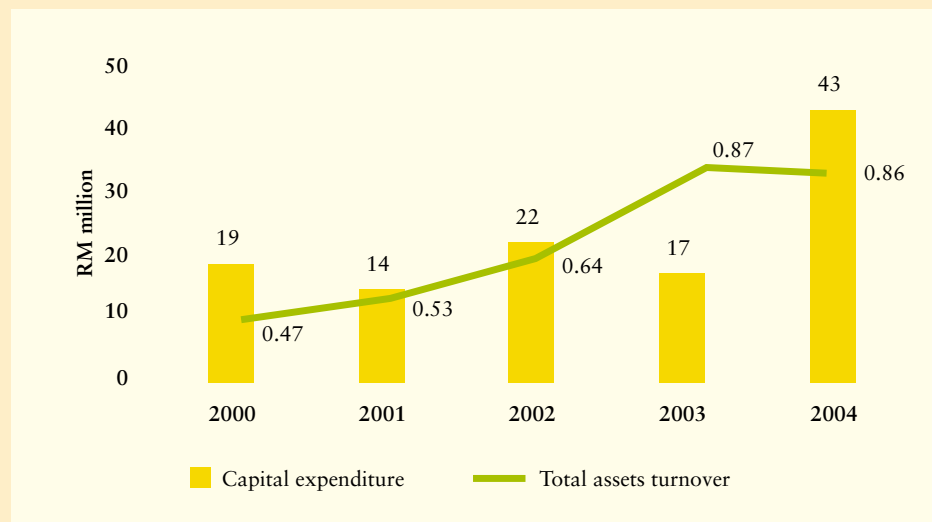
Cash from operations demonstrated an adverse drop of 82% mainly because of the Group's expansion of its core businesses during the year, which resulted in an increased demand for working capital. Some significant trade debtors which were only collected after the year-end also contributed to the temporary decrease in cash from operations.

The capital expenditure was higher in 2004 mainly due to Sun-Block's RM22 million acquisition of Lafarge's interlocking concrete pavers business. The decrease in net cash flow from investing activities was also attributed to the Group's implementation of a voluntary general offer for the remaining ordinary shares in SunCon, not already held by SunInc, amounting to RM89.1 million.

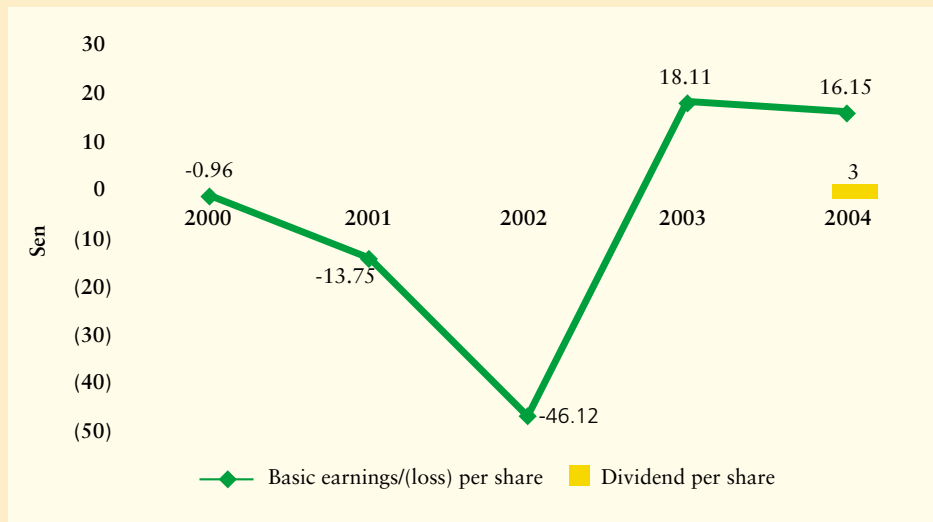
Net cash flow from financing activities increased mainly as a result of a private placement of new SunInc shares that raised RM65.9 million. The remaining outstanding bonds were fully repaid in December 2004. Subsequent to the financial year-end, a syndicated term loan facility of RM360 million was raised from a consortium of banks. The facility was used to re-profile our short-term borrowings to a six-year repayment term. This exercise will enable the Group to utilise its cash flows towards the expansion and continued growth of its core businesses. The Group's net gearing ratio has also improved from 1.36 times shareholders' funds at beginning of the year to 0.65 times.



In 2002, the Group strategically divested non-core and loss making operations and increased our stake in core businesses. Without the burden of these non-strategic operations, the Group achieved an impressive turnaround in our operating profit and margin trends in 2003. In 2004, we have further consolidated our earnings and focused our efforts towards growth opportunities.



The Group's asset utilisation has been improving over the years. In 2004, the ABS exercise was put in place as part of the Group's strategy to focus on its core businesses and dispose of other non-core investments assets.



The Group achieved basic earnings per share of 16.15 sen in 2004 and 18.11 sen in 2003. In line with the Group's mission of enhancing stakeholders' value, we have announced an interim dividend of 3 sen per share less income tax of 28%. Additionally, subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors are recommending a final dividend of 2 sen per share less income tax of 28%.