

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2007	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2006	CURRENT YEAR TO DATE 30/06/2007	PRECEDING YEAR CORRESPONDING PERIOD 30/06/2006
	RM'000	RM'000	RM'000	RM'000
REVENUE	313,942	N/A	1,153,009	N/A
OPERATING EXPENSES	(238,265)	N/A	(871,508)	N/A
OTHER OPERATING INCOME	23,877	N/A	43,032	N/A
PROFIT FROM OPERATIONS	<u>99,554</u>	<u>N/A</u>	<u>324,533</u>	<u>N/A</u>
FINANCE COST	(17,140)	N/A	(59,397)	N/A
RESULT ARISING FROM OTHER INVESTING ACTIVITIES	14,582	N/A	13,886	N/A
SHARE OF PROFIT FROM ASSOCIATES AND JOINTLY CONTROLLED ENTITY	4,874	N/A	16,357	N/A
PROFIT BEFORE TAXATION	<u>101,870</u>	<u>N/A</u>	<u>295,379</u>	<u>N/A</u>
TAXATION	(26,500)	N/A	(70,325)	N/A
PROFIT FOR THE YEAR	<u>75,370</u>	<u>N/A</u>	<u>225,054</u>	<u>N/A</u>
ATTRIBUTABLE TO:				
- EQUITY HOLDERS OF THE PARENT	50,597	N/A	145,261	N/A
- MINORITY INTEREST	24,773	N/A	79,793	N/A
	<u>75,370</u>	<u>N/A</u>	<u>225,054</u>	<u>N/A</u>
EARNINGS PER SHARE				
(i) BASIC ( sen )	<u>11.43</u>	<u>N/A</u>	<u>32.81</u>	<u>N/A</u>
(ii) DILUTED ( sen )	<u>11.11</u>	<u>N/A</u>	<u>31.88</u>	<u>N/A</u>
( Note: N/A - Not applicable )				
Pursuant to the change in year-end from 31 December to 30 June, comparatives for the current quarter and the cumulative period are not presented for the first year of implementation.				
( The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial period ended 30 June 2006 )				

**SUNWAY CITY BERHAD ( Company No : 87564-X )**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007**

	AS AT END OF CURRENT QUARTER 30/06/2007	AS AT PRECEDING FINANCIAL PERIOD END 30/06/2006 (RESTATED)
	RM'000	RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	1,022,009	950,714
INVESTMENT PROPERTIES	1,332,406	611,864
LAND HELD FOR DEVELOPMENT	274,964	367,018
INVESTMENT IN ASSOCIATED COMPANIES	12,420	12,993
INVESTMENT IN JOINTLY CONTROLLED ENTITY	47,532	40,822
GOODWILL ON CONSOLIDATION	23,853	22,238
DEFERRED TAX ASSETS	9,961	28,270
<b>CURRENT ASSETS</b>		
Properties under development	642,539	461,634
Inventories	34,295	38,607
Debtors, deposits & prepayments	248,374	167,942
Deposits, bank & cash balances	530,418	371,924
Tax recoverable	35,167	21,599
	1,490,793	1,061,706
<b>CURRENT LIABILITIES</b>		
Creditors, accruals & other current liabilities	833,397	544,255
Bank borrowings	143,646	108,023
Taxation	10,438	15,775
	987,481	668,053
<b>NET CURRENT ASSETS</b>	503,312	393,653
	3,226,457	2,427,572
<b>Financed by:</b>		
<b>SHARE CAPITAL</b>	463,444	414,942
<b>SHARE PREMIUM</b>	298,559	158,406
<b>RESERVES</b>	664,644	290,069
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	1,426,647	863,417
<b>MINORITY INTERESTS</b>	553,015	363,264
<b>TOTAL EQUITY</b>	1,979,662	1,226,681
<b>LONG TERM BANK BORROWINGS</b>	787,241	564,513
<b>OTHER LONG TERM LIABILITIES</b>	304,909	614,753
<b>DEFERRED TAXATION</b>	154,645	21,625
	3,226,457	2,427,572
( The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the period ended 30 June 2006 )		

SUNWAY CITY BERHAD ( Company No : 87564-X )  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007  
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2007

	----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT -----						MINORITY INTEREST	TOTAL EQUITY
	NON-DISTRIBUTABLE				DISTRIBUTABLE	TOTAL		
	SHARE CAPITAL	SHARE PREMIUM	CAPITAL RESERVE	EXCHANGE RESERVE	REVENUE RESERVE			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>FINANCIAL PERIOD ENDED 30 JUNE 2006</b>								
At 1 January 2005	410,527	158,406	22,766	17,670	229,584	838,953	333,833	1,172,786
Prior year adjustments - effects of adopting IC 112, FRS 3	-	-	-	-	(150,020)	(150,020)	(20,298)	(170,318)
At 1 January 2005 (restated)	410,527	158,406	22,766	17,670	79,564	688,933	313,535	1,002,468
Exercise of Employees' Share Option Scheme	4,415	-	-	-	-	4,415	-	4,415
Equity distributions to minority shareholders - as per previously report - effects of adopting IC 112	-	-	-	-	-	-	(135,586)	(135,586)
Equity distributions to minority shareholders	-	-	-	-	-	-	3,165	3,165
Profit for the period - as per previously reported	-	-	-	-	166,722	166,722	161,523	328,245
- effects of adopting IC 112	-	-	-	-	33,375	33,375	(24,173)	9,202
Dividends	-	-	-	-	(25,251)	(25,251)	-	(25,251)
Transfer from revenue reserve to capital reserve on redemption of preference shares in a subsidiary company	-	-	1,770	-	(1,770)	-	-	-
Currency translation differences	-	-	-	(4,777)	-	(4,777)	(3,743)	(8,520)
Share of Minority interest in new incorporation	-	-	-	-	-	-	284	284
Additional shares acquired by minority shareholders of a subsidiary company	-	-	-	-	-	-	4,356	4,356
Partial deemed disposal of shares in subsidiaries	-	-	-	-	-	-	47,704	47,704
Additional shares acquired from minority shareholders of a subsidiary company	-	-	-	-	-	-	(3,801)	(3,801)
At 30 June 2006	414,942	158,406	24,536	12,893	252,640	863,417	363,264	1,226,681
<b>YEAR ENDED 30 JUNE 2007</b>								
At 1 July 2006	414,942	158,406	24,536	12,893	369,285	980,062	404,570	1,384,632
Prior periods adjustments - effects of adopting IC 112, FRS 3	-	-	-	-	(116,645)	(116,645)	(41,306)	(157,951)
At 1 July 2006 (restated)	414,942	158,406	24,536	12,893	252,640	863,417	363,264	1,226,681
Effects of adopting FRS 140	-	-	-	-	240,602	240,602	131,329	371,931
	414,942	158,406	24,536	12,893	493,242	1,104,019	494,593	1,598,612
Exercise of Employees' Share Option Scheme	6,464	-	-	-	-	6,464	-	6,464
Private Placements	42,038	142,927	-	-	-	184,965	-	184,965
Share expense recognised directly to equity	-	(2,774)	-	-	-	(2,774)	-	(2,774)
Equity distributions to minority shareholders - as per previously report	-	-	-	-	-	-	(20,538)	(20,538)
Profit for the year	-	-	-	-	145,261	145,261	79,793	225,054
Dividends	-	-	-	-	(11,961)	(11,961)	-	(11,961)
Transfer from revenue reserve to capital reserve on redemption of preference shares in a subsidiary company	-	-	1,187	-	(1,187)	-	-	-
Currency translation differences	-	-	-	673	-	673	683	1,356
Additional shares acquired from minority shareholders of a subsidiary company	-	-	-	-	-	-	(2,800)	(2,800)
Additional shares acquired by minority shareholders of a subsidiary company	-	-	-	-	-	-	1,284	1,284
At 30 June 2007	463,444	298,559	25,723	13,566	625,355	1,426,647	553,015	1,979,662

( The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the period ended 30 June 2006)

**SUNWAY CITY BERHAD ( Company No : 87564-X )**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2007**

	<b>12 MONTHS CURRENT YEAR TO DATE 30/06/2007 RM'000</b>	<b>18 MONTHS PRECEDING YEAR TO DATE 30/06/2006 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from operations	1,154,930	1,571,568
Payment to suppliers and contractors	(695,071)	(885,513)
Payment of operating expenses	(193,530)	(389,554)
Interest received	12,647	12,940
Dividend received from jointly controlled entity	10,220	-
	<hr/>	<hr/>
Cash generated from operations	289,196	309,441
Taxation paid	(75,850)	(90,833)
	<hr/>	<hr/>
Net cash generated from operating activities	213,346	218,608
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposits paid on acquisition of land	(5,200)	(1,500)
Acquisition of property, plant & equipment	(311,569)	(181,827)
Deposits paid on acquisition of investment property	(28,800)	-
Proceeds from disposal of property, plant & equipment	147	1,333
Acquisition of additional interest in subsidiaries, associates and jointly controlled entity	-	(12,776)
Advances to joint venture partner and jointly controlled entity	(12,000)	(12,476)
Advances from associates	10,383	-
Others	(43)	(1,445)
	<hr/>	<hr/>
Net cash used in investing activities	(347,082)	(208,691)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net bank and other borrowings	258,631	(34,719)
Issuance of shares to minority shareholders of a subsidiary company	1,284	78,283
Employees' Share Option Scheme	6,464	4,415
Private placements	184,965	-
Share issuance expense	(2,774)	-
Redemption of preference shares held by minority shareholders in subsidiary companies	(32,761)	(82,505)
Redemption of Secured Senior Notes	(43,502)	(58,881)
Net advances (to)/from minority shareholders of subsidiary companies	(7,060)	195,058
Interest paid	(57,540)	(99,057)
Dividend paid	(11,959)	(25,251)
	<hr/>	<hr/>
Net cash generated from/(used in) financing activities	295,748	(22,657)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	162,012	(12,740)
EFFECTS OF EXCHANGE RATE CHANGES	179	(13,354)
CASH AND CASH EQUIVALENTS AT 1 JULY 2006 / 1 JANUARY 2005	365,559	391,653
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/PERIOD	527,750	365,559
Cash and cash equivalents at end of financial year/period comprise the following :		
Deposits, bank & cash balances	530,418	371,924
Bank overdrafts	(2,668)	(6,365)
	<hr/>	<hr/>
	527,750	365,559
<hr/>		
( The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the period ended 30 June 2006 )		

**NOTES TO FINANCIAL STATEMENTS :**

**A1 Accounting Policies**

The interim financial report has been prepared in accordance with FRS134 " Interim Financial Reporting " and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with the audited financial statements of the Group for the financial period ended 30 June 2006.

As announced on 19 August 2005, the Company has changed its financial year-end from 31 December to 30 June. Pursuant to the change in the financial year-end, comparative figures for the current quarter and the cumulative year to date are not presented.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2006.

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 period ended 30 June 2006 except for the adoption of the eighteen (18) new/revised FRSs that are effective for the financial period beginning 1 July 2006.

The adoption of the new/revised FRSs did not have significant impact on the Group except for the following: -

**(a) FRS 3 - Business Combinations**

The Group had previously amortised goodwill on a straight-line basis over its estimated useful life of 20 years. With the adoption of FRS 3, the Group has ceased to amortise goodwill on consolidation. Goodwill on consolidation is now carried at cost or previously amortised amount less accumulated impairment losses.

This change in accounting policy has been accounted for prospectively.

In addition to the above, any excess of fair value of the Group's share of identifiable net assets over the cost of acquisition, referred to as "negative goodwill", is recognised to the income statement. The Group's previously recognised negative goodwill amounting to RM7.6 million has been credited to the opening retained earnings. The effect of this adjustment is disclosed in (e) below in conjunction with the application of IC Interpretations 112.

**(b) FRS 101 - Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and jointly controlled entity and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. In the statement of changes in equity, total recognised income and expenses for the year attributable to equity holders of the parent and to minority interest is shown separately.

The presentation of the Group's current quarter financial statements is based on the revised requirement of FRS 101 with the comparatives restated accordingly.

**(c) FRS 116 - Property, Plant and Equipment**

The adoption of FRS 116 has resulted in a change in accounting estimate for the Group's hotel properties. Prior to this, hotel properties were stated at cost and no depreciation was provided. The Group's hotel properties are now stated at cost less accumulated depreciation and impairment losses.

This change in accounting estimate has been accounted for prospectively. Depreciation charges on hotel properties in respect of current year to date ended 30 June 2007 is approximately RM4.7 million (net of Minority Interest).

**(d) FRS 140 - Investment Properties**

The adoption of FRS 140 has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing market value determined by external valuers. The Group has adjusted the gain arising from the revaluation to the opening balance of retained earnings upon the adoption of this standard. Subsequent gains or losses arising from the changes in fair values of investment properties are recognised in profit or loss in the period in which they arise.

With the adoption of FRS 140, a net gain of RM240.6 million (net of deferred tax and minority interest) has been credited directly to retained

**(e) IC Interpretation 112 - Special Purpose Entities ("SPE")**

On 30 October 2002, the Group has completed an asset-backed securitisation exercise ("ABS exercise") involving disposal of six properties including the plant and equipment together with its lease rights and redeemable preference shares to an SPE, ABS Real Estate Berhad ("AREB"), for a total consideration of RM891.6 million, which was satisfied by RM425.4 million cash and the issuance of RM466.2 million Subordinate Class D Notes.

In accordance to IC Interpretation 112, which is effective for the financial year beginning 1 July 2006, AREB has been consolidated with the Group. The effects of the consolidation has resulted in a decrease of RM124.2 million to the Group's retained earnings.

The above changes in accounting policy except for item (c) and (d) above, have been accounted for retrospectively and the Group has restated the following items in the opening balance sheet:

Balance Sheet as at 1 July 2006	As previously reported RM '000	Effects RM '000	As restated RM '000
Property, plant and equipment	648,510	302,204	950,714
Investment in Class D notes	466,203	(466,203)	-
Investment properties	372,764	239,100	611,864
Land held for property development	367,495	(477)	367,018
Goodwill on Consolidation	11,433	10,805	22,238
Debtors, deposits & prepayments	167,776	166	167,942
Deposits, bank & cash balances	364,587	7,337	371,924
Tax recoverable	21,149	450	21,599
Other creditors and accruals	(521,729)	(22,526)	(544,255)
Retained earnings	(369,285)	116,645	(252,640)
Minority interest	(404,570)	41,306	(363,264)
Other long term liabilities	(385,946)	(228,807)	(614,753)
		-	

**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 although the leisure and hospitality industries will typically enjoy higher patronage/occupancy during holiday seasons.

**A4 Unusual Items**

There were no unusual items in the current quarter other than the following:

	RM '000
Impairment of property, plant and equipment	(26,533)
Fair value adjustment of investment properties	40,624
Others	491
	<u>14,582</u>

**A5 Changes in Estimates**

There were no changes in estimates that have a material effect on the amounts reported for the 4th quarter ended 30 June 2007.

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

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the 4th quarter ended 30 June 2007, except for the issuance of equity securities pursuant to the Employees' Share Option Scheme of 1,605,000 ordinary shares of RM1.00 each at par totalling RM1,605,000 and Private Placement of 42,037,500 ordinary shares of RM1.00 each at a premium RM3.40 which amounted to RM184,965,000.

**A7 Dividend Paid**

There was no dividend paid during the 4th quarter ended 30 June 2007.

**A8 Segmental Reporting**

Segmental results for the financial year ended 30 June 2007 are as follows:

	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Hospitality RM'000	Healthcare RM'000	Eliminations RM'000	Consolidated RM'000
<b>BY BUSINESS SEGMENTS</b>							
<b>REVENUE AND EXPENSES</b>							
Revenue							
External sales	671,275	119,176	91,081	166,733	104,744	-	1,153,009
Inter-segment sales	10	34,311	-	4,546	58	(38,925)	-
<b>Total Revenue</b>	<b>671,285</b>	<b>153,487</b>	<b>91,081</b>	<b>171,279</b>	<b>104,802</b>	<b>(38,925)</b>	<b>1,153,009</b>
Results							
Operating segment results	211,398	69,804	8,462	26,801	8,068	-	324,533
Finance costs							(59,397)
Other investing activity results							13,886
Share of results of associated companies and jointly controlled entity							16,357
Taxation							(70,325)
<b>Profit for the year</b>							<b>225,054</b>
Attributable to:							
Equity holders of the parent							145,261
Minority interest							79,793
							<u>225,054</u>

**A9 Valuation of Property, Plant and Equipment and Investment Properties**

The Group has adopted the fair value model for its investment properties with effect from 1 July 2006, as disclosed in A1 (d) above.

**A10 Material events**

There were no material events subsequent to the end of the financial year reported on, that have not been reflected in the financial statements for the said year, except for the issuance of RM250 million nominal value of up to 3-year 2.00% redeemable bank guaranteed serial bonds with up to 155,932,500 detachable provisional rights to allotment of Warrants on 22 August 2007, pursuant to the Proposed Bonds with Warrants Issue as mentioned in B8 below.

**A11 Changes in the Composition of the Group**

There was no material change in the composition of the Group for the 4th quarter ended 30 June 2007.

**A12 Contingent Liabilities and Assets**

There were no material changes in contingent liabilities since the last annual balance sheet date.  
There were no contingent assets.

**B1 Review of Performance**

The group posted a revenue of RM313.9 million and profit before taxation of RM101.9 million for the current quarter ended 30 June 2007, substantially contributed by strong earnings from the property development segment. The key contributors were the high margin commercial development in Sunway Damansara and the Group's signature project in Kiara Hills. This was also supported by contribution from more than 15 development projects at prime locations within Greater Kuala Lumpur and Penang.

**B2 Material Changes in the Quarterly Results**

The current quarter's revenue of RM313.9 million was RM38.7 million higher than last quarter's revenue of RM275.2 million whilst the profit before taxation of RM101.9 million was RM34.4 million above last quarter's profit before taxation of RM67.5 million. The higher revenue and profit before taxation for the current quarter over previous quarter's performance was mainly attributable to the property development segment, primarily from the high margin commercial development in Sunway Damansara and the results arising from other investing activities as mentioned in Note A4 above.

**B3 Current Year Prospects**

The Board is confident that the Group shall achieve strong earnings growth for the financial year ending 30 June 2008.

The Property Investment Segment shall receive additional earnings contribution from the Monash University Sunway Campus, Bandar Sunway and the Sunway Carnival Shopping Mall, Seberang Jaya Penang. In addition the expected completion and opening of Sunway Pyramid Shopping Mall expansion in October 2007 and the recent acquisition of an office block known as Wisma Denmark, Kuala Lumpur shall provide further earnings enhancement.

The Property Development Segment is expected to continue with its strong performance backed by its unbilled sales of RM717million as at June 07 and the strong take up of recent launches such as Giza (a commercial development in Sunway Damansara), Casa Kiara II (a condominium project in Mont Kiara) and Sunway Palazzo (a high end condominium at Sri Hartamas). The enbloc sales of condominium in Sunway South Quay and new launches such as the Bayrock Waterfront Villas in Sunway South Quay, semi-detached homes at Sunway SPK Homes and the commercial development in Suncity KL shall be the future growth drivers. The Property Development industry is expected to benefit from various initiatives taken by the Government such as waiver of Real Property Gains Tax and the relaxation of Government ruling allowing foreigners to purchase residential properties above RM250,000 per unit without seeking approval from FIC will augur well for the property market and is expected to have a positive impact on local and foreign demand on property sales.

Meanwhile, the Leisure and Hospitality Segments' performance is expected to improve with the Visit Malaysia Year 2007 activities to boost tourism.

**B4 Variance of Actual Profit from Profit Forecast**

Not applicable.

**B5 Taxation**

The lower effective tax rate for the current year-to-date was mainly due to utilisation of business losses and reversal of deferred taxation liability due to the decrease in the tax rate.

	Individual Quarter 30/06/2007 RM'000	Cumulative To Date 30/06/2007 RM'000
Current taxation	25,062	68,902
Deferred taxation	1,438	1,423
	26,500	70,325

**B6 Profits/(Losses) on Sale of Unquoted Investments and/or Properties**

There were no sale of investments and/or properties of investment nature for the 4th quarter ended 30 June 2007, other than a gain of RM1.4 million which arose from disposal of an investment property by a subsidiary company.

**B7 Purchase or Disposal of Quoted Securities**

There were no purchase or disposal of quoted securities for the 4th quarter ended 30 June 2007.

**B8 Status of Corporate Proposal Announced**

Since the release of the 3rd Quarter interim results on 2007, the status of corporate proposals announced are as follows:

Proposal and Status	
1)	<p><b>Proposed Bonds with Warrants Issue &amp; Proposed Offer for Sale</b></p> <p>On 27 February 2007, the Company announced the proposal for the:</p> <p>(a) issuance of RM250 million nominal value of 2.00% redeemable bank guaranteed bonds with up to 141,985,667 detachable warrants ("Warrants") on a 'bought deal' basis to a primary subscriber ("Proposed Bonds with Warrants Issue"); and</p> <p>(b) offer for sale by the primary subscriber of up to 141,985,667 Warrants to the existing shareholders of the Company on a renounceable rights basis of 1 Warrant for every 3 existing ordinary shares of RM1.00 each held in the Company at a date and at an offer price to be determined ("Proposed Offer for Sale").</p> <p>On 15 March 2007, the Company announced that the maximum number of Warrants to be issued under the Proposed Offer for Sale would be increased to 156,184,233 pursuant to the Private Placement mentioned in Note A6 above.</p> <p>After the completion of the Private Placement on 11 May 2007, the Company had announced on 28 May 2007 that the maximum number of warrants to be issued would be revised to 156,123,834.</p> <p>Further, on 19 June 2007, the Company announced the revised maximum number of warrants to be issued, to 155,932,500 warrants.</p>
2)	<p><b>Status of the Proposed Bonds with Warrants Issue &amp; Proposed Offer for Sale</b></p> <p>The Company had obtained the Securities Commission's approval vide its letter dated 21 June 2007 for the Proposed Bonds with Warrants Issue and Proposed Offer for Sale.</p> <p>Further, the Securities Commission had vide its letter dated 1 August 2007, approved the listing of and quotation for the Warrants and the new ordinary shares arising from the exercise of the Warrants on the Main Board of Bursa Malaysia Securities Bhd.</p> <p>The ordinary resolution for the Proposed Bonds with Warrants Issue and Proposed Offer for Sale was duly passed by the shareholders at the Company's Extraordinary General Meeting held on 8 August 2007.</p> <p>The Company had on 8 August 2007, announced the offer price of the Warrants at RM0.15 per Warrant with an exercise price of RM4.87.</p> <p>On 16 August 2007, Bursa Malaysia Securities Bhd had granted its approval in-principle for the following:</p> <p>(i) admission of the Warrants to the Official List and the listing of and quotation for up to 155,932,500 Warrants to be issued pursuant to the Proposed Bonds with Warrant Issue; and</p> <p>(ii) additional listing of up to 155,932,500 new ordinary shares of RM1.00 each in the Company to be issued arising from the exercise of the Warrants.</p> <p>The Securities Commission had vide its letter dated 21 August 2007, approved the exemption/waiver application pursuant to Section 44 (3) of the Securities Commission Act, 1993, to comply with the full requirements of the form and content of a prospectus in relation to the Proposed Offer for Sale as set out under the Prospectus Guidelines issued by the Securities Commission.</p> <p>The Company had issued the Proposed Bonds with Warrants on 22 August 2007.</p> <p>The Company had on 24 August 2007, announced the book closure date and the important relevant dates for the Proposed Offer for Sale. The book closure date has been fixed on 10 September 2007 at 5.00 pm.</p>

**B9 Group Borrowings and Debt Securities**

The Group borrowings as at 30 June 2007 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	95,883	47,763	143,646
Long term borrowings	606,125	181,116	787,241
	702,008	228,879	930,887

Included in the above are foreign currency borrowings as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
US Dollar (USD1 = RM3.4545)	-	1,297	1,297

**B10 Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 30 June 2007.

**B11 Changes in Material Litigation**

As at 30 June 2007, there were no material litigations since the last balance sheet date.

**B12 Dividend**

The Board of Directors has proposed a final dividend of 7.8 sen per ordinary share of RM1.00 each less 27% income tax for the financial year ended 30 June 2007 (18 months ended 30 June 2006: 7.5 sen), which is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

**B13 Earnings per share**

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

	Individual Quarter 30/06/2007 RM'000	Cumulative To Date 30/06/2007 RM'000
<b><u>Basic earnings per share</u></b>		
Profit attributable to members of the Company	50,597	145,261
Weighted Average Number of Ordinary Shares	442,773	442,773
Earnings per share ( Basic ) (sen)	11.43	32.81
<b><u>Diluted earnings per share</u></b>		
Profit attributable to members of the Company	50,597	145,261
Weighted Average Number of Ordinary Shares	455,599	455,599
Earnings per share ( Diluted ) (sen)	11.11	31.88

**B14 Comparative figures**

Comparative figures, where applicable, have been modified to conform with the current quarter's presentation.

**By Order of the Board**

**Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng**  
**Tan Kim Aun**  
**Lee Suan Choo**

**Secretaries**