

DRIVING SUSTAINABLE PROGRESS



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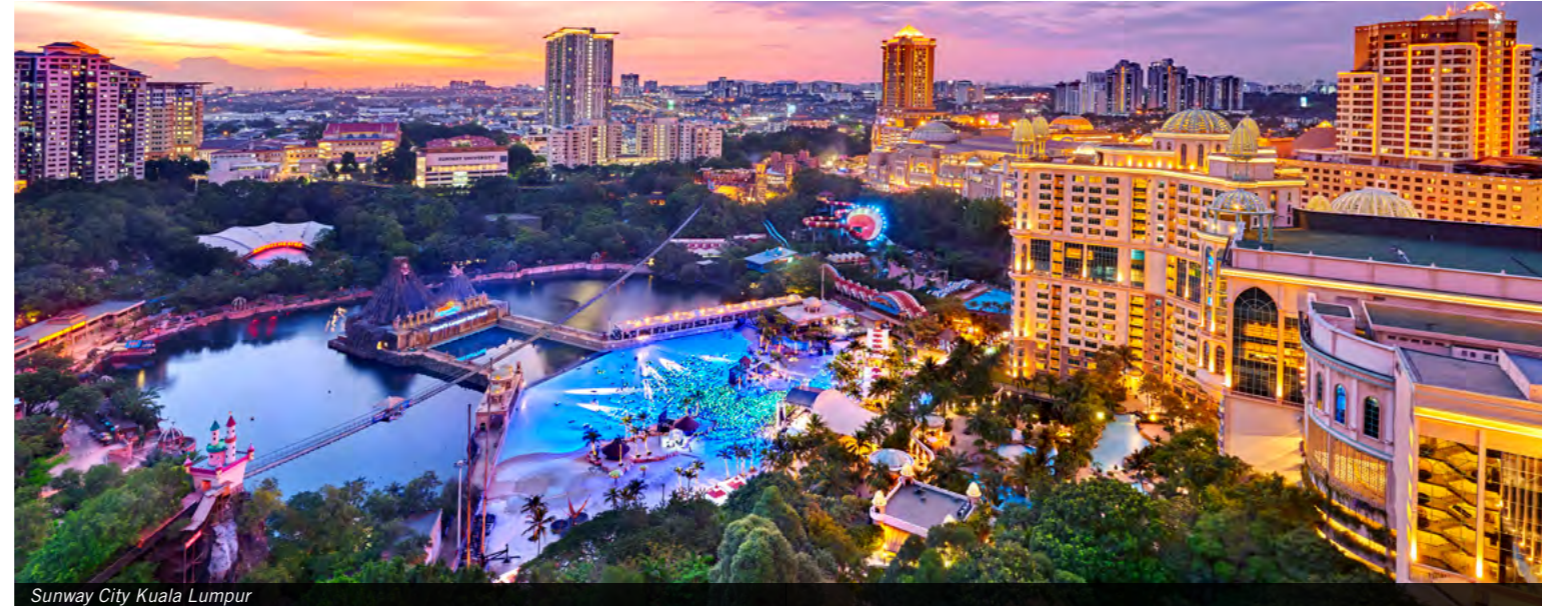
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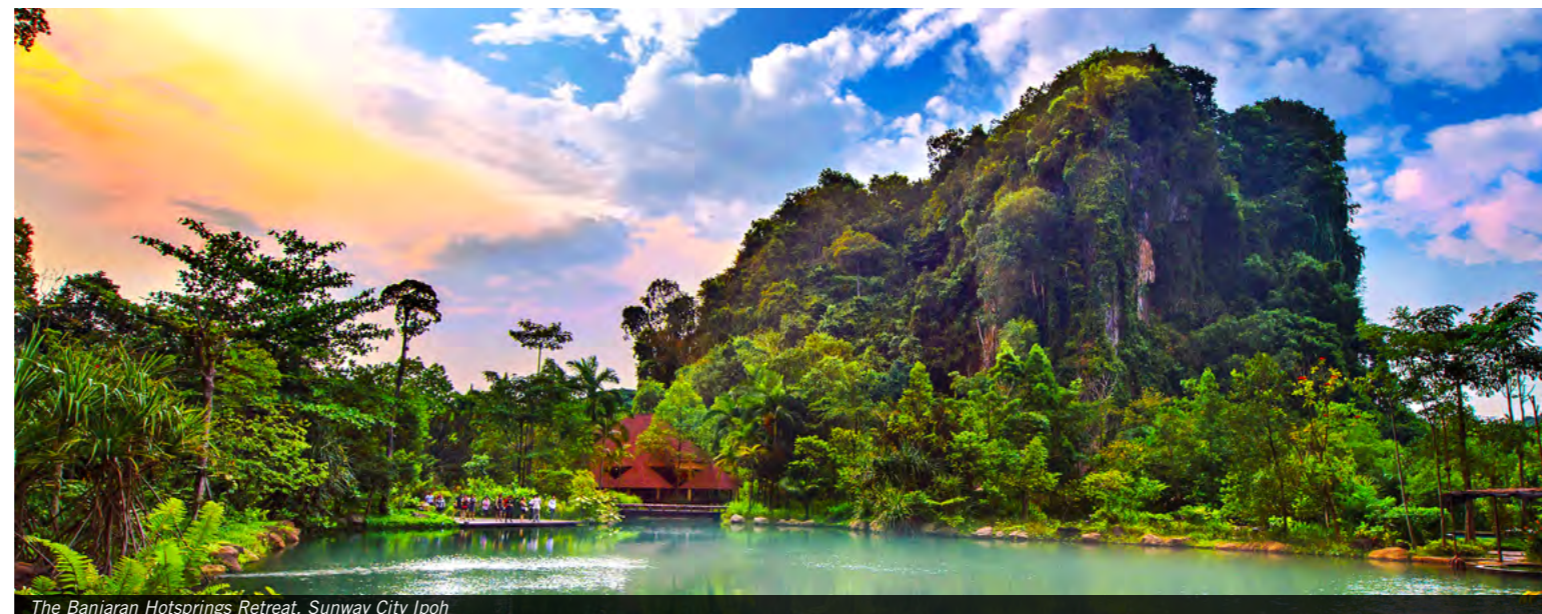
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Sunway City Kuala Lumpur



The Banjaran Hotsprings Retreat, Sunway City Ipoh

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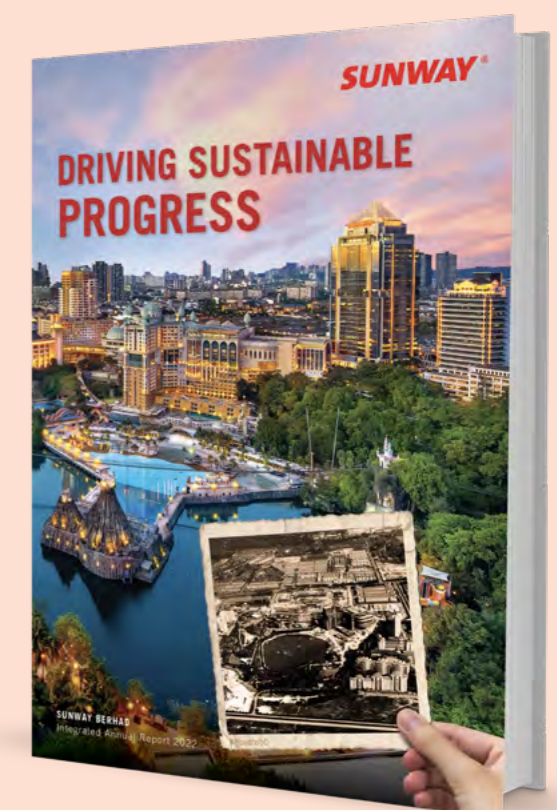
DRIVING SUSTAINABLE PROGRESS

A half-century ago, the journey of creating possibilities began with a vision. Since then, Sunway has created a legacy of equitable value that continues to resonate with stakeholders across Malaysia and beyond.

As Sunway commemorates its golden jubilee in 2024, we remain inspired to continue redefining the future. In the manner we transformed a once derelict mining pool into one of Malaysia's most liveable and thriving smart sustainable cities, we continue to embrace the many challenges humanity faces as the catalyst for game-changing thinking to deliver unbridled stakeholder value for the next 50 years. #Roadto50



Scan this QR code



ABOUT THIS REPORT

ABOUT THIS REPORT

INTRODUCTION

Sunway Berhad ("Sunway" or "the Group") presents its Integrated Annual Report ("IAR 2022") for the financial year ended 31 December 2022 ("FY 2022").

IAR 2022 is developed towards providing more integrated narratives and disclosures between financial and non-financial aspects of the Group's operations. The report has been developed in accordance to the principles-based framework of Integrated Reporting and goes beyond conventional, past-based financial performance reporting to include information on existing and emerging risks and opportunities, capital / resources dependencies and business strategies. IAR 2022 also provides future-oriented information on Sunway's business prospects, future orientation and key focus areas.

The sustainability performance of the Group for the reporting period from 1 January to 31 December 2022 including its comparatives is presented in a standalone Sustainability Report ("SR 2022"), which forms part of the Reporting Suite for FY 2022.

REPORTING PERIOD

IAR 2022 covers information and activities for the reporting period from 1 January to 31 December 2022 and is consistent with the audited financial year of the Group.

SCOPE AND BOUNDARIES

IAR 2022 presents a 4Cs¹ narrative of the Group's strategic performance for FY 2022 and covers the following focus areas:

<p>Management Discussion and Analysis</p>	Group financial, business and operational performance
<p>Sustainability Report</p>	Non-financial performance and values; Environmental, Social and Governance ("ESG") matters that impact non-financial value creation.
<p>Matters Affecting Enterprise Value Creation</p>	ESG matters that impact financial value creation
<p>Strategic Priorities and Future Orientation</p>	Outlook, prospects and future orientation for Sunway over the short, medium and long-term perspectives

BASIS OF PREPARATION AND MATERIALITY

Similar to Sunway's previous years' of integrated reporting, IAR 2022 was developed based on an integrated thinking perspective:



7 Guiding Principles

- Strategic focus and future orientation
- Connectivity of Information
- Conciseness
- Reliability and completeness
- Consistency and comparability
- Materiality
- Stakeholder relationships

8 Content Elements

- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

The Group's material matters were derived from a materiality assessment conducted during the year to prioritise the material issues that are most important to the Group and its stakeholders.

Please refer to our SR 2022 for more information on the Materiality Assessment process and methodology as well as page 34 of this report for our Material Matters.

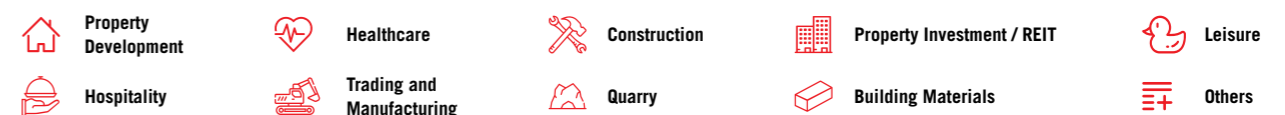
NAVIGATION ICONS

The navigation icons are used to strengthen linkages between strategic information, and to also inform readers on where additional information can be located within the IAR or across Sunway's FY 2022 reporting suite and/or website:

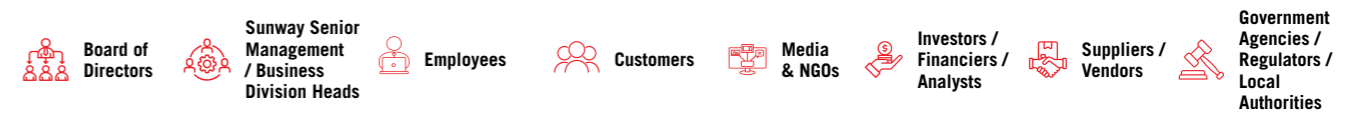
Tells you where you can find more information within the reports

Tells you where you can find more information online at www.sunway.com.my

BUSINESS DIVISIONS ICONS:



STAKEHOLDERS GROUP ICONS:



REPORTING SUITE FOR FY 2022

In providing comprehensive disclosures on Sunway in terms of governance as well as environmental and social performance, the readers are encouraged to review the following reports alongside IAR 2022 for a more comprehensive perspective on the Group:

- Sustainability Report 2022 ("SR 2022")
- Corporate Governance Report 2022 ("CG 2022")

APPLIED FRAMEWORKS

The following reporting / governance frameworks and guidelines have been applied (in part or full) in the development of IAR 2022 and SR 2022:

- Companies Act 2016 ("Act")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")
- Value Reporting Framework ("VRF") Principles-Based Framework
- IFRS Foundation's International Integrated Reporting <IR> Framework
- Bursa Malaysia Sustainability Reporting Guide – Third Edition
- Global Reporting Initiative ("GRI") Standards
- Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations
- Sustainability Accounting Standards Board ("SASB") disclosure requirements
- United Nations Sustainable Development Goals ("UN-SDG")

ASSURANCE

Financial statements disclosed in IAR 2022 have been audited by BDO PLT. The SR 2022 has obtained external assurance by SIRIM QAS International Sdn Bhd which has verified that the policies, initiatives and data are accurate and acceptable. More information on the assurance report is available in SR 2022.

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of Sunway acknowledged its responsibility to present a balanced and comprehensive Integrated Annual Report based on good governance practices and guided by the IFRS Foundation's International Integrated Reporting <IR> Framework.

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements discussing targets, future plans, operations, and performance of the Group based on reasonable current assumptions.

Readers are advised not to place undue reliance on such statements as our business is subject to risks and uncertainties arising from unforeseen circumstances. Therefore, there may be variation between actual results and the guidance in these statements.

FEEDBACK

Feedback, suggestions or enquiries on this report may be sent to: irsunwayberhad@sunway.com.my.

GROUP CORPORATE PROFILE

Sunway Berhad (“Sunway” or “the Group”) is one of Southeast Asia’s leading conglomerates with diverse businesses operating in over 50 locations, primarily in Asia. Its 11,388-strong team is committed to sustainable development and socioeconomic progress through its key businesses which include property development, healthcare, construction, property investment and REIT, leisure, hospitality, trading and manufacturing, quarry, as well as building materials.

Since its founding in 1974, Sunway has made significant contribution to the nation and society. The Group played an important role to providing for the country’s socioeconomic and infrastructure developments, enhancing healthcare and the quality of life, community enrichment programmes and nation-building.

The Group’s business strategies and operations (as reflected through its business divisions) are aligned with the 17 United Nations Sustainable Development Goals (“UN-SDG”). These form the Group’s corporate strategy and social responsibility towards long-term success as well as building a more inclusive and sustainable world.

Our Vision

To be Asia’s model corporation in sustainable development; innovating to enrich lives for a better tomorrow

Our Mission

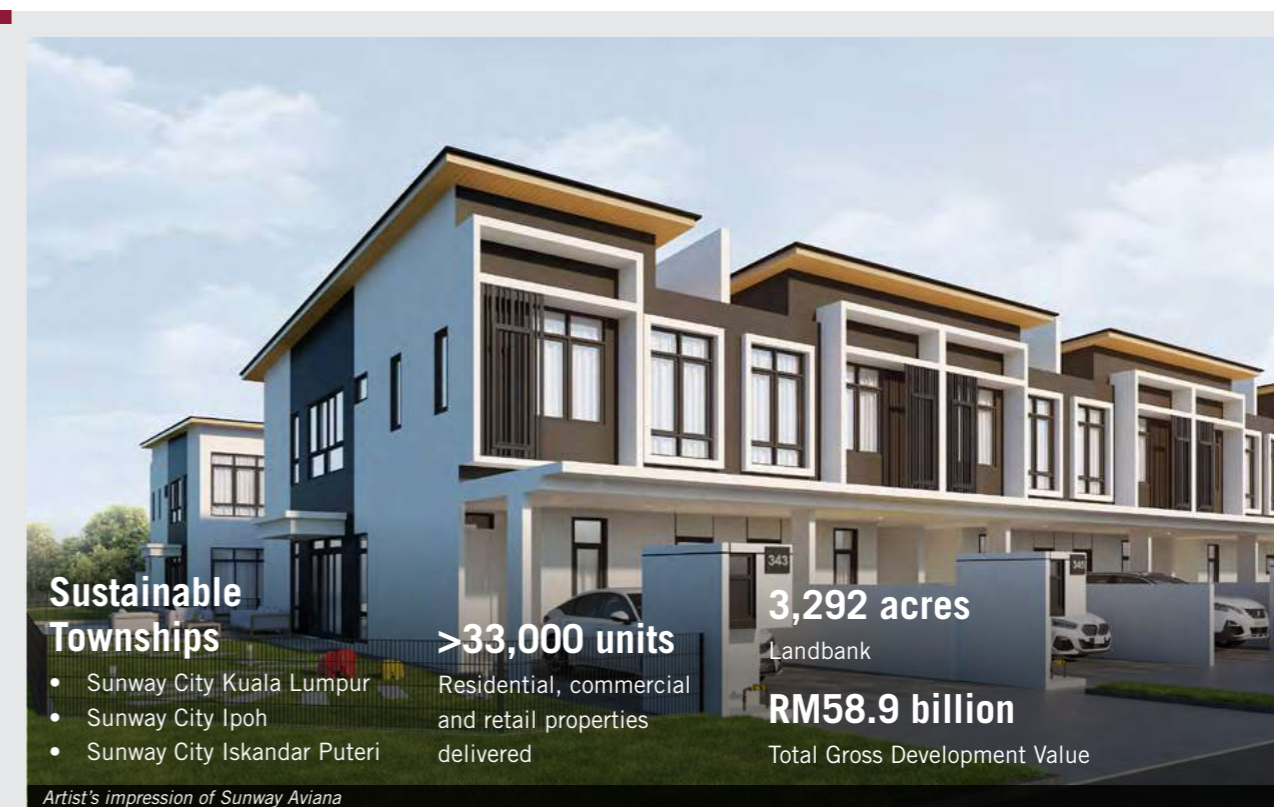
- Empowering our people to deliver enhanced value to all stakeholders
- Embracing sustainability in our business processes and decisions
- Attracting and nurturing a talented and progressive workforce for the digital era

Our Core Values

- Integrity
- Humility
- Excellence

OUR BUSINESS DIVISIONS

PROPERTY DEVELOPMENT



Sunway’s Property Development division continues to stand out as a premier real estate brand name, both in Malaysia and internationally. It is renowned for its successful township developments, innovative designs, and high-quality residences.

Sunway’s distinct “Build-Own-Operate” business model, strengthens the division’s ability as a Master Community Developer to create a win-win proposition through sustainable communities where people can live, learn, work and play and at the same time, stay healthy and connected in a safe environment, and thrive together.

Sunway’s steadfast commitment to the long-term success of the communities it built is evidenced in the award-winning flagship township, Sunway City Kuala Lumpur (“SCKL”). Today, the 800-acre township of Malaysia’s first fully-integrated sustainable and smart city is a living lab that fosters innovation, smart city technology, and urban farming.

Other notable townships and developments include Sunway City Iskandar Puteri, Sunway City Ipoh, Sunway Velocity, Sunway Damansara, Sunway Penang, and standalone developments which are either integrated or transit-oriented developments (“TODs”).

Please see page 38 for more information on the Property Development division’s Strategic Snapshot.

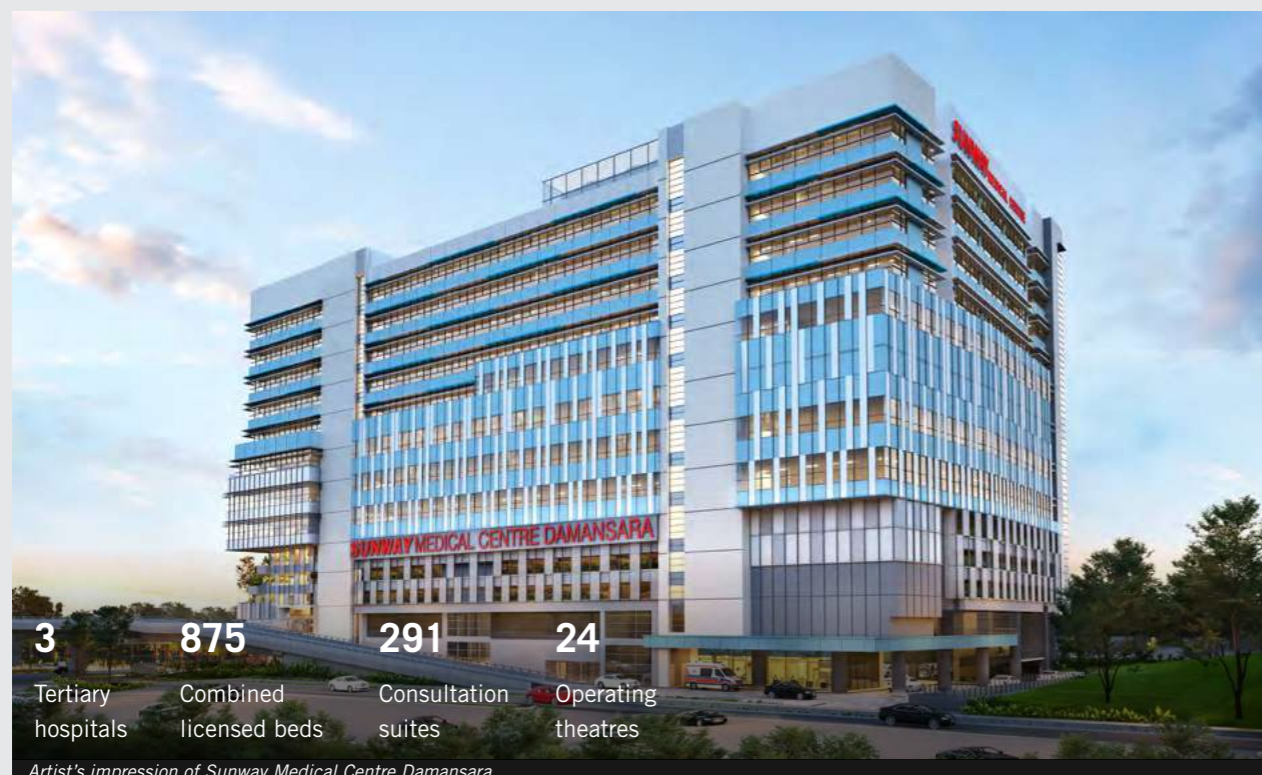
OUR BUSINESS DIVISIONS

OUR BUSINESS DIVISIONS

HEALTHCARE

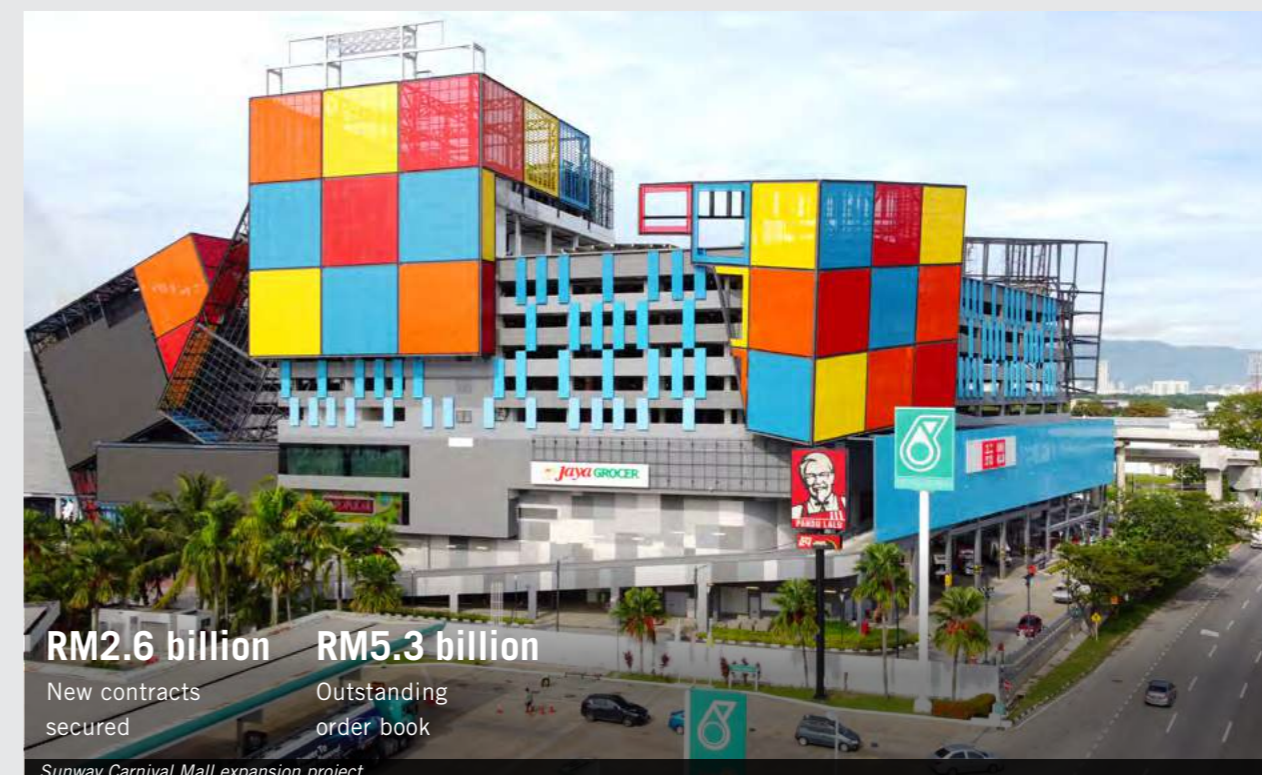


CONSTRUCTION



3	875	291	24
Tertiary hospitals	Combined licensed beds	Consultation suites	Operating theatres

Artist's impression of Sunway Medical Centre Damansara



RM2.6 billion	RM5.3 billion
New contracts secured	Outstanding order book

Sunway Carnival Mall expansion project

Sunway's Healthcare division, Sunway Healthcare Group ("SHG") is a leading integrated private healthcare group with a network of hospitals and health services in Malaysia. Established in 1999 with its flagship Sunway Medical Centre in SCKL, SHG today has expanded to 3 tertiary hospitals following the opening of Sunway Medical Centre Velocity in September 2019 and Sunway Medical Centre Penang in November 2022. These hospitals offer world-class healthcare, made possible by some of the nation's most skilled and experienced medical professionals and state-of-the-art equipment.

As part of its expansion strategy to provide more communities with access to quality healthcare, SHG will expand its footprint in Sunway City Ipoh (Perak), Sunway Damansara (Selangor), Kota Bharu (Kelantan), Sunway City Iskandar Puteri (Johor) and Paya Terubong (Penang). This will propel SHG to be one of the largest healthcare groups in the region, with a combined capacity of over 3,000 beds throughout its network of hospitals.

SHG also operates ancillary healthcare businesses, namely, Sunway Specialist Centre Damansara, Sunway Medical Centre Singapore and Sunway Traditional and Complementary Medicine ("TCM") Centre SCKL. In 2022, SHG launched two healthcare centres in Kuching, Sarawak, namely Sunway TCM Centre and Sunway Fertility Centre to serve the growing needs of the communities in East Malaysia and other surrounding countries.

To provide the epitome of comfort and luxury for senior living, Sunway Sanctuary, a senior living facility will be launched soon to offer active retirement living with exceptional service, convenience, security and quality healthcare.

Please see page 39 for more information on the Healthcare division's Strategic Snapshot.

Sunway's Construction division, Sunway Construction Group Berhad ("SunCon") is Malaysia's largest pure-play construction group that provide a full range of integrated design and construction services. SunCon's track record comprises some of Malaysia's most prominent, challenging and game-changing infrastructure development projects including the nation's MRT and other rail infrastructures.

SunCon's distinctive advantages are its extensive Virtual Design & Construction ("VDC"), Building Information Modelling ("BIM") technologies, and its Integrated Product Delivery ("IPD") which provides innovative solutions to achieve project goals and enhance value chain of the entire project lifecycle.

With a track record spanning over 40 years, the division is capable of tailoring fully-integrated and cost-effective solutions, delivering effective end-to-end solutions as well as control over timely delivery and quality to undertake various construction projects ranging from data centres, power plants, solar projects to buildings and infrastructures.

Please see page 40 for more information on the Construction division's Strategic Snapshot.

OUR BUSINESS DIVISIONS

OUR BUSINESS DIVISIONS

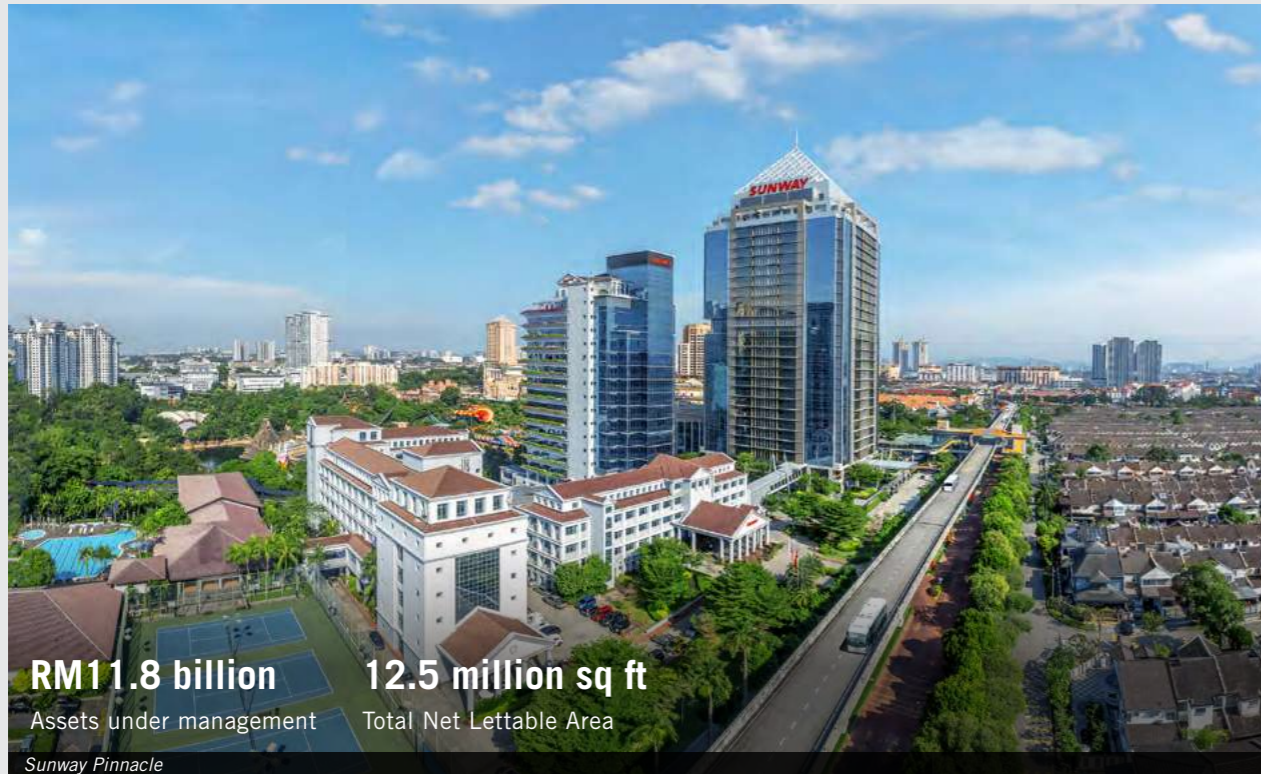
PROPERTY INVESTMENT AND REIT



LEISURE



HOSPITALITY



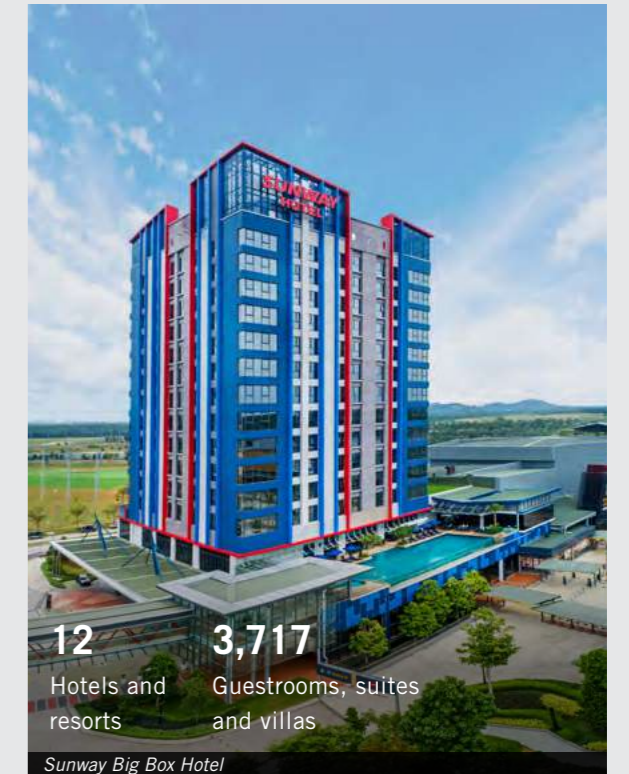
RM11.8 billion Assets under management
12.5 million sq ft Total Net Lettable Area

Sunway Pinnacle



2 Signature theme parks
128 acres Total park size
1.6 million Visitors in 2022

Sunway Lost World of Tambun



12 Hotels and resorts
3,717 Guestrooms, suites and villas

Sunway Big Box Hotel

With total assets under management (“AUM”) valued at RM11.8 billion, Sunway’s Property Investment and Real Estate Investment Trust (“REIT”) division is one of the largest property investment players in Malaysia.

The division’s asset portfolio comprises various properties owned and managed by Sunway such as retail malls, commercial buildings and more. These properties are held either directly through the subsidiaries of the Group or Sunway REIT, a 40.9%-owned associate company. The assets are predominantly located within Sunway’s integrated townships.

Please see page 41 for more information on the Property Investment and REIT division’s Strategic Snapshot.

The Leisure division comprises the destination theme parks of Sunway Lagoon Theme Park and Sunway Lost World of Tambun Theme Park which brings fun and entertainment into Sunway’s townships nationwide. Both parks are also international tourist landmarks, attracting visitors worldwide.

Sunway Lagoon Theme Park in SCKL has attracted over 30 million visitors since its inception in 1992 and is acclaimed globally as one of Asia’s best theme parks. Spanning 88 acres with over 90 attractions across 5 adventure zones, the theme park launched its night park in November 2022 with night time-exclusive live performances, rides, and other exciting activities for its visitors.

Sunway Lost World of Tambun is set among 260-million-year-old limestone hills, verdant rainforest scenery and natural hot springs. Being the only theme park in Asia with hot springs, the theme park is a true natural holiday haven – offering 40 acres of theme park attractions including a zoo park with a night safari.

Please see page 42 for more information on the Leisure division’s Strategic Snapshot.

Sunway’s Hospitality division owns and manages a suite of 3, 4, and 5-star hotels and resorts in Malaysia, Cambodia and Vietnam, cumulatively providing more than 3,700 guestrooms, suites and villas.

The division is a key component of the local hospitality industry supporting the international and domestic tourism sector as well as the Meetings, Incentives, Conferences and Exhibitions (“MICE”) segment.

Please see page 43 for more information on the Hospitality division’s Strategic Snapshot.

OUR BUSINESS DIVISIONS

OUR BUSINESS DIVISIONS

TRADING AND MANUFACTURING



QUARRY



BUILDING MATERIALS

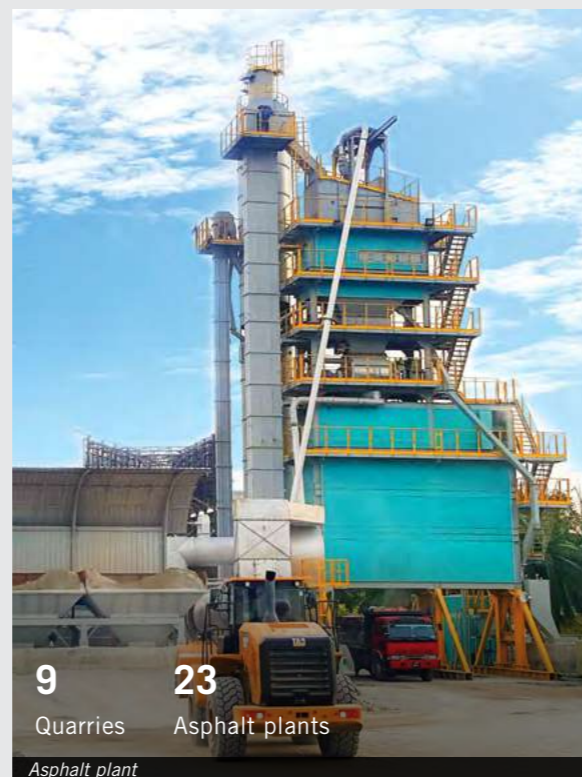


OTHERS



7 countries **207** **6**
 Regional presence Agency lines Main product lines

BYD Lithium Ion battery-operated forklift



9 **23**
 Quarries Asphalt plants

Asphalt plant



9
 Manufacturing facilities

Flexipave Plus & Flexipave

Sunway's Trading and Manufacturing division is a leading, international trading house with over 200 agency lines across 7 countries.

The division is an authorised distributor for various brands and offers six major product lines, namely hoses & fittings, heavy equipment parts, heavy equipment, building materials, industrial hardware and automotive parts. It has also developed proprietary and homegrown brands of products such as Nietz and Picasaf. The division supports the requirements of both internal and external customers.

Please see page 44 for more information on the Trading and Manufacturing division's Strategic Snapshot.

Sunway's Quarry division is one of Malaysia's largest operators with 9 quarries and 23 asphalt plants strategically located close to highways across Malaysia.

The division's products are essential for construction works and also for the construction and maintenance of roads and highways.

Please see page 45 for more information on the Quarry division's Strategic Snapshot.

Sunway's Building Materials division comprises three core segments: Interlocking Concrete Pavers ("ICP"), Vitrified Clay Pipes ("VCP") and Spun Piles.

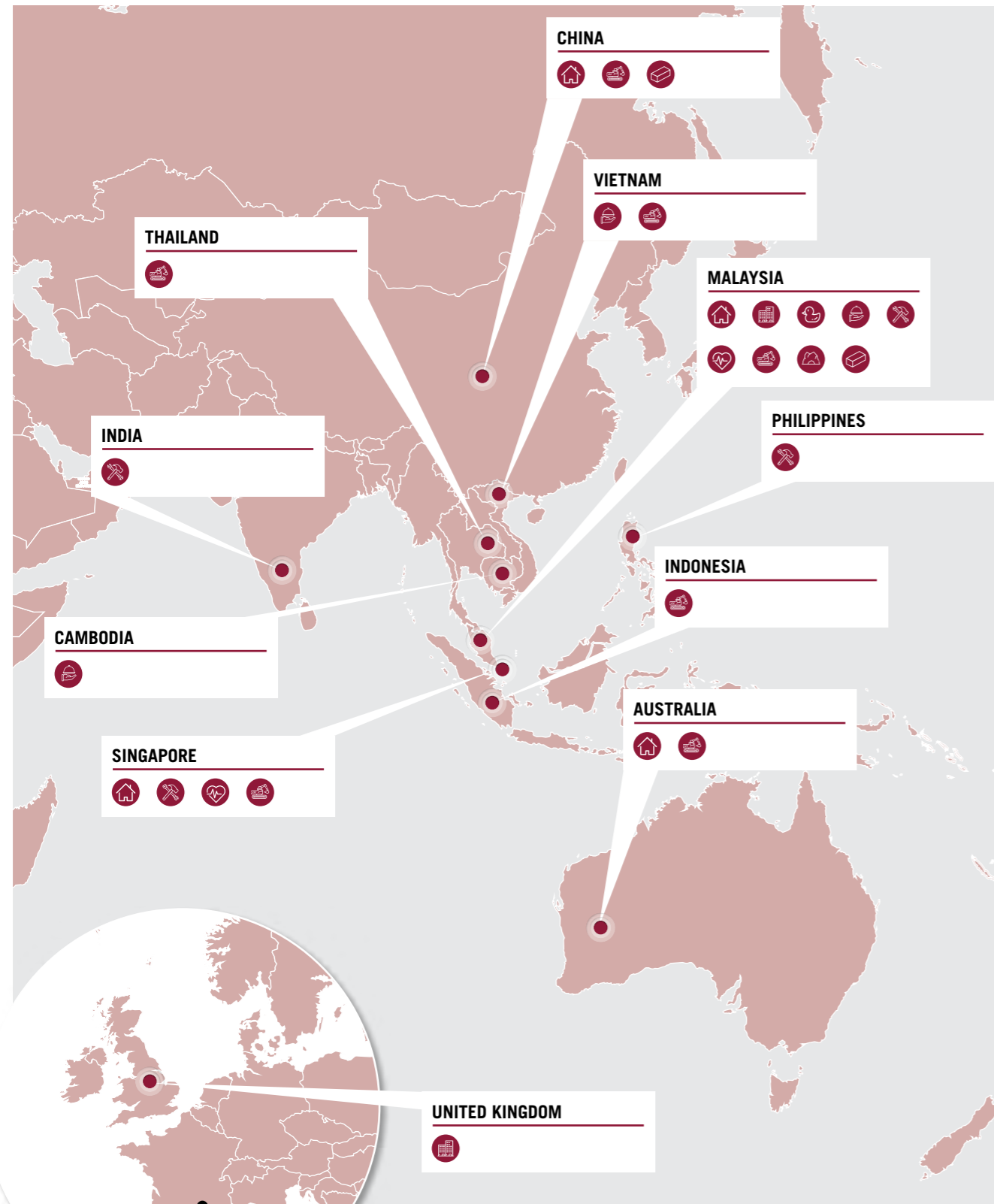
The division manufactures products which are Eco-Label and Green Label compliant through sustainable manufacturing processes. All manufacturing facilities are ISO accredited in Quality Management System and Environment Management Systems.

Please see page 46 for more information on the Building Materials division's Strategic Snapshot.

Sunway has built a physical and social ecosystem that fosters innovation, generates and incubates ideas to address the challenges facing humanity.

Through its flagship smart sustainable city, Sunway City Kuala Lumpur, Sunway has established new businesses intended to provide long-term sustainable solutions to many of the world's most pressing challenges today. These include Sunway XFarms, a sustainable urban farming solutions; Sunway iLabs, a hub to foster entrepreneurship and innovations and other ventures such as Sunway Super App, a loyalty programme; Sunway Money, an e-remittance service provider and Sunway PopBox, an automated parcel lockers provider.

OUR GLOBAL PRESENCE



>50
Locations

11,388
Employees Under
Sunway Berhad

- Property Development
- Property Investment / REIT
- Leisure
- Hospitality
- Construction
- Healthcare
- Trading and Manufacturing
- Quarry
- Building Materials

CORPORATE MILESTONES

2018

Pursuant to Bursa Securities' revamp of the sectoral classification for companies listed on the Main Market, Sunway Berhad was reclassified from Trading / Services sector to the Industrial Products and Services sector on 24 September 2018.

2015

Listing of Sunway Construction Group Berhad ("SunCon") on the Main Board of Bursa Securities on 28 July 2015.

2010

Sunway REIT was founded and listed on the Main Board of Bursa Securities on 8 July 2010.

1999

Sungei Way Holdings Berhad changed its name to Sunway Holdings Incorporated Berhad on 13 December 1999.

1984

Listing of Sungei Way Holdings Sdn Bhd on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 February 1984 as Sungei Way Holdings Berhad.

1978

Establishment of Sungei Way Holdings Sdn Bhd on 26 January 1978.

2017

Sunway Berhad reclassified its listing from the Properties sector to the Trading / Services sector on the Main Board of Bursa Securities on 16 June 2017.

2011

Sunway Holdings Berhad and Sunway City Berhad were merged to form Sunway Berhad, which was listed on the Main Board of Bursa Securities on 23 August 2011.

2007

Sunway Holdings Incorporated Berhad changed its name to Sunway Holdings Berhad.

1996

Sunway City Berhad was listed on the Main Board of Bursa Securities on 8 July 1996.

1982

Sunway City Berhad was formed on 13 July 1982, initially known as Sri Jasa Sdn Bhd.

AWARDS & ACCOLADES

AWARDS & ACCOLADES

■ **Tan Sri Dr. Jeffrey Cheah AO**

- Named **Putra Brand Personality of the Year** at Putra Brand Awards 2022 for his lifelong commitment to advancing the nation through education; building a more progressive, sustainable and inclusive future for all; philanthropy work; and his deftness in running one of Southeast Asia's leading conglomerates

■ **Sunway Berhad**

- **4th ASEAN Red Ribbon for Outstanding Workplace (ARROW) Awards 2022**
 - One of six private companies recognised for its good practices in creating a safe, healthy, and non-discriminatory workplace through their HIV and AIDS awareness and prevention programmes – Sunway Group of Malaysia
- **36th International Annual Report Competition (ARC) Awards 2022**
 - PDF Version of Annual Report category - Integrated AR & CSR-Asia/Pacific: Traditional Format – Silver
- **2021 ASEAN Corporate Governance Scorecard Award**
 - ASEAN Asset Class PLCs (Malaysia)
- **Asiamoney Asia's Outstanding Companies Poll 2022**
 - Most Outstanding Company in Malaysia - Real Estate Sector
- **Asian-Oceanian Computing Industry Organisation (ASOCIO) Information and Communication Technology (ICT) Excellence Awards 2022**
 - Outstanding User Organisation Award
- **Australasian Reporting Awards (ARA) 2022**
 - Sustainability Reporting category – Gold
- **Deloitte's Malaysia Best Managed Companies 2022 Awards**
 - 2022 Malaysia Best Managed Companies – Real Estate, Education, Retail, Healthcare, Hospitality industry sector – Sunway Group
- **Malaysia Book of Records**
 - Largest Food Bank Initiative by a Conglomerate - #SunwayforGood Food Bank
- **Malaysian Venture Capital and Private Equity Association (MVCA) Awards 2021/2022**
 - Most Supportive Industry Partner

• **Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2021**

- Industry Excellence Award for CG Disclosure under Industrial Products and Services category – 3rd runners-up
- Top 100 Companies for CG Disclosure 2021 – 32nd place

• **National Annual Corporate Report Awards (NACRA) 2022**

- Platinum Excellence Award for companies with market capitalisation of RM2 billion to RM10 billion
- Best Sustainability Reporting – Silver

• **Putra Brand Awards 2022**

- Putra Brand of the Year Award

• **Steward Leadership 25**

- Sunway City Kuala Lumpur – Listed as one of 25 corporate initiatives across Asia-Pacific that demonstrated strategies to tackle existential societal challenges

• **Sustainability & CSR Malaysia Awards 2022**

- Company of the Year - Excellent National COVID-19 initiatives
- Long-Standing Excellence in Sustainability

• **The Edge Billion Ringgit Club Awards 2022**

- “Highest Growth in Profit After Tax over Three Years” in the Industrial Products & Services Sector

• **The Edge ESG Awards 2022**

- Long-Term Achiever
- Industrial Products and Services category – Silver

■ **Property Development**• **9th PropertyGuru Asia Awards Malaysia 2022**

- The People's Choice Awards for Top 10 Best Developers – Sunway Iskandar Sdn Bhd

• **BCI Asia Awards 2022**

- Top 10 Developers Award 2022

• **CIDB Safety & Health, Environment and Quality (SHEQ) Day 2022**

- QLASSIC Excellence Awards
 - o 90% score for Sunway Lenang Heights (Highest in 2022 and Highest in Sunway Property history)
 - o 89% score for Sunway Centre Lakehomes (Phase 2)

• **FIABCI – The Star Malaysia Developer Awards 2022**

- Transformation Award
- Top-of-the-Charts Award – Top 10 companies with Market Cap RM1 billion and above category

• **Green Accord Initiative Award (GAIA) 2021/2022**

- Township category: Sunway City Iskandar Puteri
- Special Mention in Commercial category – Sunway GRID

• **Putra Brand Awards 2022**

- Bronze in Property Development category

• **Star Property Awards 2022: Real Estate Developer**

- All-Stars Award - Sunway Property
- Readers' Choice Award
 - o Most Preferred Developer – Sunway Property
 - o Most Heart-warming CSR initiative – Sunway Property (Sunway Pyramid Convention Centre, COVID-19 Vaccination Centre)
 - o Most Preferred Architectural Building – Sunway GRID Residence
- The Business Estate Award (Commercial) – Excellence Award - Sunway GEO Tower
- The Family-Friendly Award (High-Rise) – Excellence Award - Sunway Serene
- The Skyline Award – Excellence Award – Sunway Belfield
- The Southern Star Award - Excellence – Sunway Emerald Residence
- The Starter Home Award (High Rise) – Excellence – Sunway GRID Residence

• **Talentbank Graduates' Choice Award 2022**

- Facilities Management Category – 1st place
- Property Developer Category – 1st runner-up

• **The Edge Malaysia Best Managed & Sustainable Property Awards 2022**

- Bronze in the Below 10 Years Multiple-Owned Strata Residential category – Sunway Montana

• **The Edge Malaysia Top Property Developers Awards (TEPEA) 2022**

- Property Development Excellence Awards – Excellence in Integrated Township of Residential Resort, Office and Retail – Sunway City Kuala Lumpur
- Top Property Developers Award – 6th place

■ **Healthcare**• **40th Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2022**

- Services Sector category
 - o Silver – Sunway Medical Centre, Sunway City

• **Frost & Sullivan Asia Pacific Best Practices Award 2022**

- Sunway Medical Centre, Sunway City
 - o Malaysia Smart Hospital Company of the Year

• **Global Health and Travel (GHT) Asia-Pacific Healthcare and Hospital Awards 2022**

- Sunway Medical Centre Velocity
 - o New Hospital in Asia Pacific
 - o Obstetrics and Gynaecology Service Provider of the Year in Asia Pacific
 - o Wellness Service Provider of the Year in Asia Pacific

• **Healthcare Asia Awards 2022**

- Sunway Medical Centre, Sunway City
 - o Hospital of the Year - Malaysia
 - o Smart Hospital Initiative of the Year - Malaysia
- Sunway Fertility Centre
 - o Fertility Patient Excellence Initiative of the Year

• **Malaysia Health & Wellness Brand Awards 2022**

- Sunway Medical Centre, Sunway City
 - o Private Hospitals Category
 - o Private Hospitals - Cancer Centre Category

• **Talentbank Graduates' Choice Award 2022**

- Healthcare Category – 1st runner-up

AWARDS & ACCOLADES

AWARDS & ACCOLADES

■ Construction

- **36th International Annual Report Competition (ARC) Awards 2022**
 - PDF Version of Annual Report category - Integrated AR & CSR-Asia/Pacific: Traditional format – Bronze
- **Australasian Reporting Awards (ARA) 2022**
 - Silver
- **CIDB 5-Star SCORE Rating 2022**
- **Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2021**
 - Top 100 Companies for CG Disclosure 2021 – 36th place
- **National Annual Corporate Report Awards (NACRA) 2022**
 - Gold Excellence Award for companies with market capitalisation of RM2 billion to RM10 billion
- **Talentbank Graduates' Choice Award 2022**
 - Construction category – 1st runner-up
- **The Edge Billion Ringgit Club Awards 2022**
 - “Highest Return on Equity over Three Years” in the Construction Sector

■ Property Investment / REIT

- **Minority Shareholder Watch Group (MSWG) - ASEAN Corporate Governance Awards 2021**
 - Sunway REIT
 - o Industry Excellence Award for CG Disclosure under Real Estate Investment Trust category
 - o Ranks 4th for overall Excellence for CG Disclosure
- **National Annual Corporate Report Awards (NACRA) 2022**
 - Sunway REIT
 - o Silver Excellence Award for companies with market capitalisation of RM2 billion to RM10 billion

■ 40th Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2022

- Services Sector category
 - o Gold Class I – Sunway Pyramid Mall
 - o Silver – Sunway Putra Mall
 - o Silver – Sunway Velocity Mall
 - o Silver – Sunway Giza Mall
 - o Bronze – Sunway Carnival Mall

■ International Customer Experience Awards (iCXA) 2022

- Sunway malls
 - o Overall Winner – Gold
 - o Best Customer Experience in the Crisis – Gold
 - o Best Customer Experience Strategy (B2C) – Bronze
 - o Best Innovation in Customer Experience in the over 10,000 employees category – Bronze
 - o Customers at the Heart of Everything™ – Bronze

■ CX Asia Excellence Awards 2022

- Sunway malls
 - o Best Brand Experience – Bronze
 - o Best Customer Experience – Bronze

■ Malaysia Association of Convention and Exhibition Organisers and Suppliers (MACEOS) Industry Recognition Awards 2022

- Honorary Recognition to Sunway Pyramid Mall and Sunway Pyramid Convention Centre in recognition of its contribution for setting up a COVID-19 Vaccination Centre

■ Malaysia Shopping Malls Association (PPKM) 'Best Experiential Marketing' Awards 2020-2022

- Category B (500,001 to 999,999 sq.ft. nett lettable area (NLA))
 - o Platinum – Sunway Velocity Mall
 - o Silver – Sunway Putra Mall

■ Motherhood Choice Awards 2022

- Best Shopping Mall – Sunway Pyramid Mall

■ Talentbank Graduates' Choice Award 2022

- Shopping Malls category – 1st runner-up

■ 10th Marketing Excellence Awards

- Sunway PALs
 - o Loyalty Programme Campaign – Bronze

■ Leisure

- **Asia Corporate Excellence & Sustainability (ACES) Awards 2022**
 - Community Initiative Award – Sunway Lagoon
- **Malaysia Tourism Industry Award 2022**
 - Best Tourism Attraction – Sunway Lagoon
 - Best Sustainable Theme Park for Nature – Sunway Lost World of Tambun
- **Putra Brand Awards 2022**
 - Bronze in Entertainment category – Sunway Lagoon
- **Talentbank Graduates' Choice Award 2022**
 - Entertainment & Leisure category – 1st place

■ Hospitality

- **2022 HotelsCombined Recognition of Excellence Award**
 - Sunway Resort Hotel 8.7/10
 - Sunway Pyramid Hotel 8.5/10
 - Sunway Lagoon Hotel 8.8/10
 - Sunway Putra Hotel 8.6/10
 - Sunway Velocity Hotel 8.6/10
 - The Banjaran Hotsprings Retreat 9.3/10
 - Sunway Hotel Georgetown 8.2/10
 - Sunway Hotel Seberang Jaya 8.5/10
- **Agoda.com 2022 Customer Review Awards**
 - Sunway Putra Hotel scored 8.6 over 10
- **Booking.com Traveler Review Awards 2022**
 - Sunway Putra Hotel scored 8.6 over 10
 - Sunway Velocity Hotel scored 8.4 over 10
 - Sunway Hotel Georgetown scored 8.1 over 10
 - Sunway Hotel Seberang Jaya scored 8.6 over 10
 - The Banjaran Hotsprings Retreat scored 9.3 out of 10
- **Clean & Safe Malaysia Hygiene & Safety Label (by Malaysia Association of Hotels and Bureau Veritas Malaysia)**
 - Satisfactory Grade – Sunway Putra Hotel
 - Satisfactory Grade – Sunway Hotel Georgetown
 - Satisfactory Grade – Sunway Hotel Seberang Jaya
- **International Travel Awards 2022**
 - Best Family Hotel in Malaysia – Sunway Putra Hotel

■ Talentbank Graduates' Choice Award 2022

- Hotels category – 3rd runner-up – Sunway Resort Hotel

■ Tatler Dining Awards 2022

- Jeff's Cellar – listed as Top 20 restaurant in Malaysia for the 4th consecutive year – The Banjaran Hotsprings Retreat

■ Travel Weekly Asia Readers' Choice Awards 2022

- Best Upscale Hotel in Asia Pacific – Sunway Resort Hotel

■ Traveloka Traveller Review Award 2022

- Sunway Hotel Hanoi

■ Travelocity Exceptional 2022 (5/5)

- Sunway Hotel Hanoi

■ Trip.com 2022 Top Producing Hotel

- Sunway Velocity hotel
- Sunway Hotel Georgetown

■ TripAdvisor Traveler's Choice Hotel Awards 2022

- Sunway Pyramid Hotel
- The Banjaran Hotsprings Retreat

■ TripAdvisor Traveler's Choice 2022 Best of the Best

- Top 20 Most Romantic Hotels – Asia
 - o The Banjaran Hotsprings Retreat

■ Muslim-Friendly Accommodation Recognition (by Islamic Tourism Centre under the Ministry of Tourism, Arts and Culture)

- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Resort Hotel
- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Pyramid Hotel
- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Clio / Lagoon Hotel
- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Putra Hotel
- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Hotel Georgetown
- Muslim-Friendly Hospitality Services Recognition - Silver – Sunway Hotel Seberang Jaya

CORPORATE INFORMATION

GROUP CORPORATE STRUCTURE

BOARD OF DIRECTORS

Executive Chairman, Non-Independent Executive Director
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO

Non-Executive Co-Chairman, Independent Non-Executive Director
Dato' Sri Idris Jala

Deputy Executive Chairman, Non-Independent Executive Director
Tan Sri Datuk Seri Razman M Hashim
(Retired with effect from 23 June 2022)

President, Non-Independent Executive Director
Tan Sri Dato' (Dr.) Chew Chee Kin

Non-Independent Executive Director
Sarena Cheah Yean Tih, *s.m.s.*

Senior Independent Non-Executive Director
Dr. Philip Yeo Liat Kok

Independent Non-Executive Directors

Tan Sri Dato' Dr. Lin See Yan
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
Datuk Tong Poh Keow
Tan Sri Jamaludin Bin Ibrahim
Datuk Zaiton Binti Mohd Hassan
(Appointed with effect from 8 March 2022)

AUDIT COMMITTEE

Datuk Tong Poh Keow (Chairperson)
Tan Sri Dato' Dr. Lin See Yan
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
Datuk Zaiton Binti Mohd Hassan
(Appointed with effect from 8 March 2022)
Tan Sri Jamaludin Bin Ibrahim
(Resigned with effect from 8 March 2022)

NOMINATION AND REMUNERATION COMMITTEE

Tan Sri Datuk Dr. Rebecca Fatima Sta Maria (Chairperson)
Tan Sri Dato' Dr. Lin See Yan
Dr. Philip Yeo Liat Kok
Tan Sri Jamaludin Bin Ibrahim

RISK MANAGEMENT COMMITTEE

Tan Sri Dato' Dr. Lin See Yan (Chairperson)
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
Datuk Tong Poh Keow
Datuk Zaiton Binti Mohd Hassan
(Appointed with effect from 8 March 2022)

SUSTAINABILITY COMMITTEE

Tan Sri Dato' (Dr.) Chew Chee Kin (Chairperson)
Datuk Tong Poh Keow
Dr. Philip Yeo Liat Kok
Sarena Cheah Yean Tih, *s.m.s.*

COMPANY SECRETARIES

Tan Kim Aun (MAICSA 7002988)
(SSM PC No. 202008001249)
Chin Lee Chin (MAICSA 7012347)
(SSM PC No. 202008001355)

REGISTERED OFFICE

Level 16, Menara Sunway, Jalan Lagoon Timur
Bandar Sunway, 47500 Subang Jaya
Selangor Darul Ehsan, Malaysia
Tel No : (603) 5639 8889
Fax No : (603) 5639 9507

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel No : (603) 2783 9299
Fax No : (603) 2783 9222
Email : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

Tricor Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South, No. 8
Jalan Kerinchi, 59200 Kuala Lumpur

AUDITORS

BDO PLT
Chartered Accountants

STOCK EXCHANGE LISTING

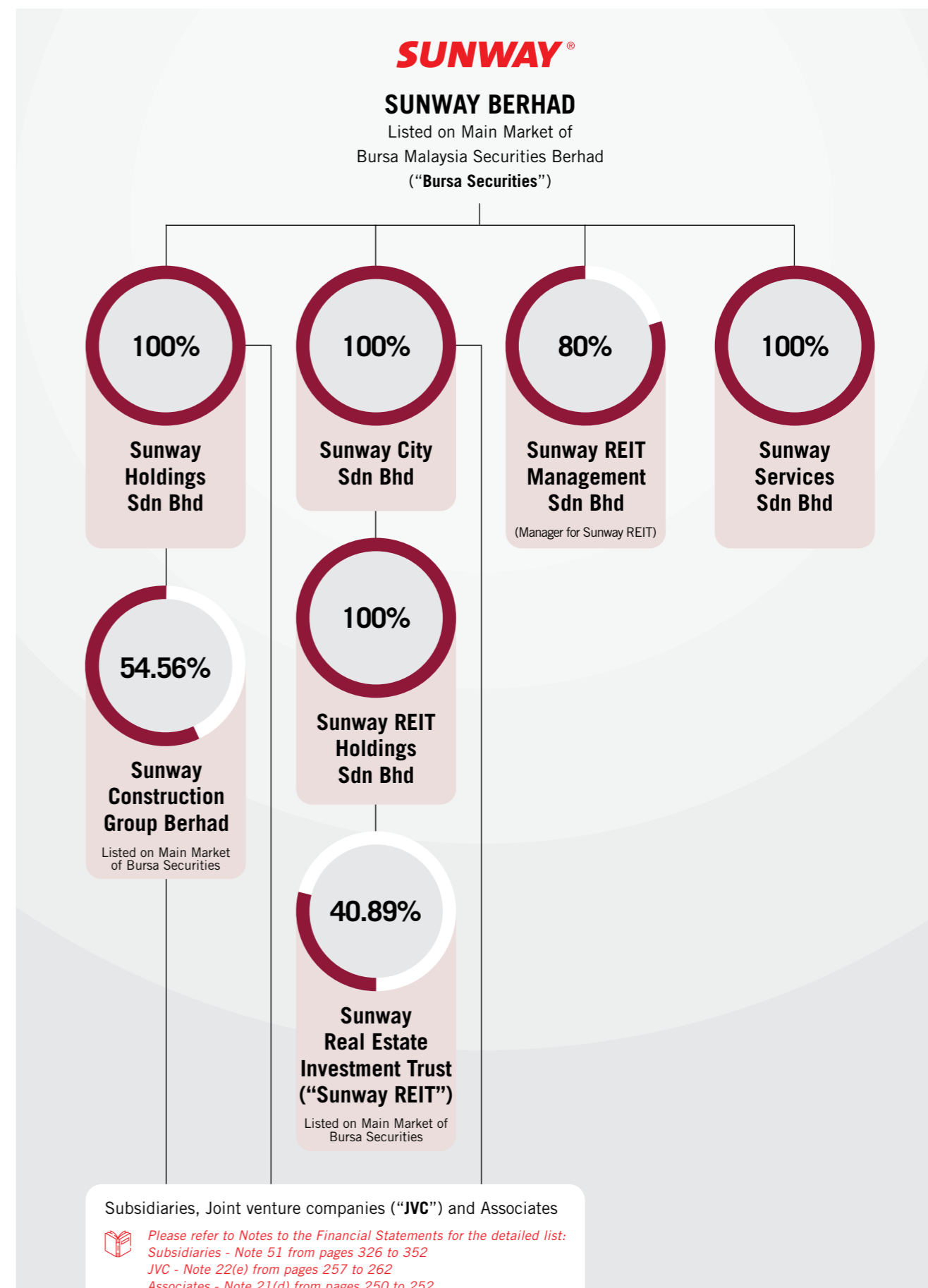
Main Market of Bursa Malaysia Securities Berhad

WEBSITE ADDRESS

www.sunway.com.my

INVESTOR RELATIONS

Email : irsunwayberhad@sunway.com.my
Tel No : (603) 5639 9257



FINANCIAL CALENDAR

ANNOUNCEMENT OF QUARTERLY RESULTS

26 MAY 2022

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2022

25 NOVEMBER 2022

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2022

24 AUGUST 2022

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2022

23 FEBRUARY 2023

Announcement of the unaudited consolidated results for the 4th quarter ended 31 December 2022

DIVIDENDS

24 AUGUST 2022

- (a) Announcement of the first interim single-tier cash dividend of 2.00 sen per ordinary share for the financial year ended 31 December 2022.
- (b) Announcement of the preferential dividend of 5.25% per annum (based on the issue price of RM1.00 per irredeemable convertible preference share ("ICPS")) for the period from 1 January 2022 up to and including 30 June 2022, in respect of the financial year ended 31 December 2022.

Date of entitlement:
15 September 2022

Date of payment:
6 October 2022

23 FEBRUARY 2023

- (a) Announcement of the preferential dividend of 5.25% per annum (based on the issue price of RM1.00 per ICPS for the period from 1 July 2022 up to and including 31 December 2022, in respect of the financial year ended 31 December 2022.
- (b) Announcement of the second interim single-tier dividend of 3.5 sen per ordinary share in Sunway ("Sunway Share") for the financial year ended 31 December 2022 ("Second Interim Dividend") of which the shareholders may elect to reinvest a portion of the Second Interim Dividend comprising 2.0 sen per Sunway Share into new Sunway Shares with the remaining portion of the Second Interim Dividend of 1.5 sen per Sunway Share to be paid in cash. The Company had on 21 March 2023, fixed the issue price of the new Sunway Shares at RM1.38 per new Sunway Share.

Date of entitlement:
21 March 2023

Date of payment:
13 April 2023

Date of entitlement:
5 April 2023

Date of closing for submission of dividend reinvestment form:
21 April 2023

Date of payment and allotment of new Sunway Shares:
5 May 2023

INTEGRATED ANNUAL REPORT & ANNUAL GENERAL MEETING

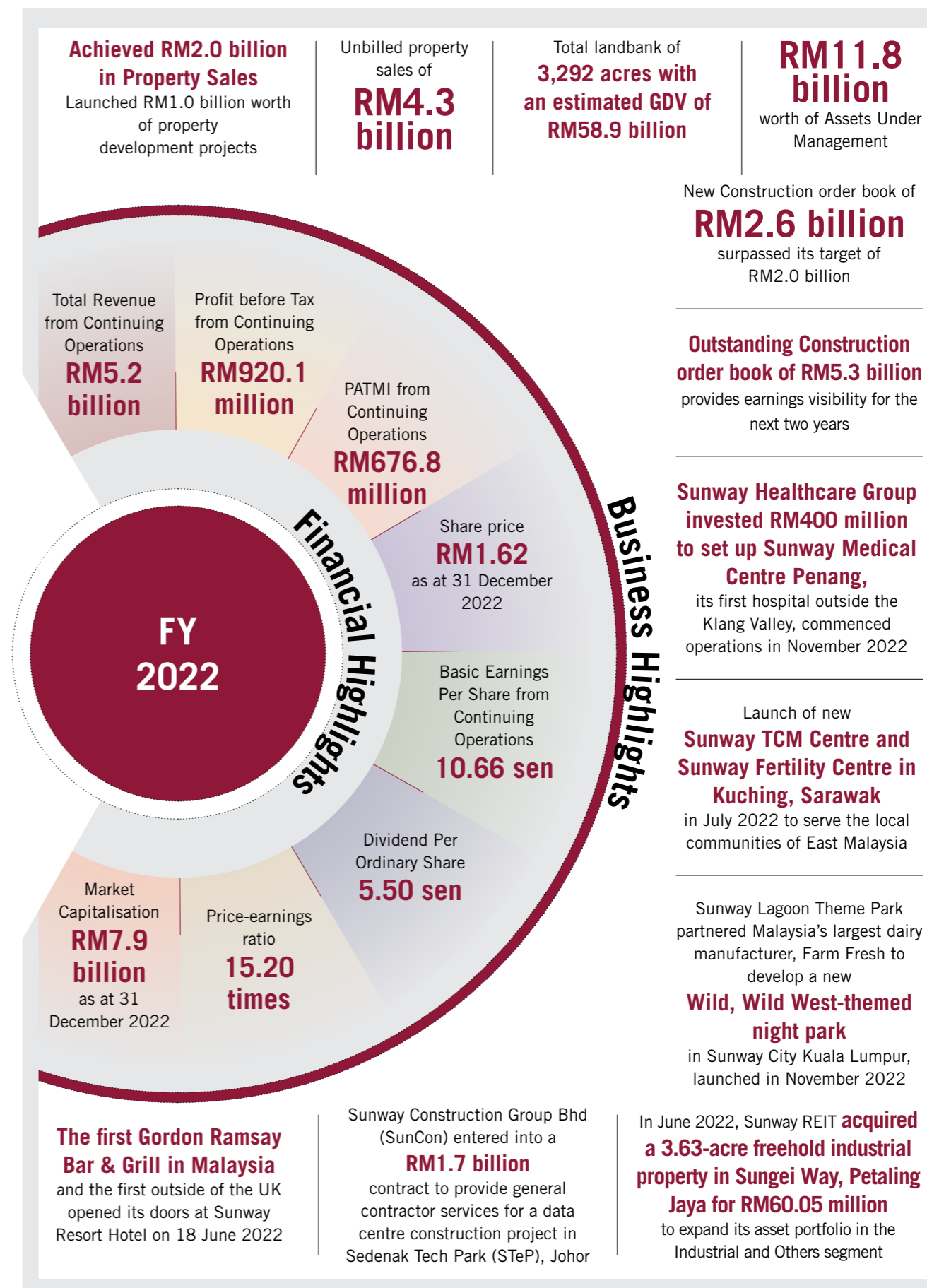
28 APRIL 2023

Date of notice of 13th Annual General Meeting and date of issuance of Integrated Annual Report 2022

22 JUNE 2023

Date of 13th Annual General Meeting

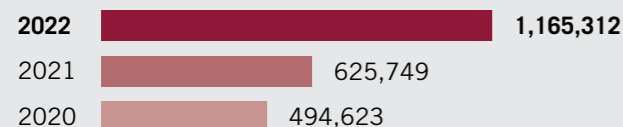
FINANCIAL & BUSINESS HIGHLIGHTS



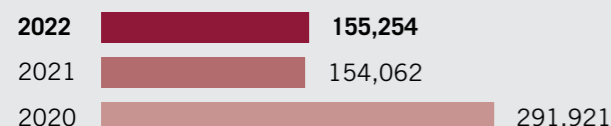
FINANCIAL VALUES CREATED SEGMENTAL PERFORMANCE

Property Development

REVENUE (RM'000)

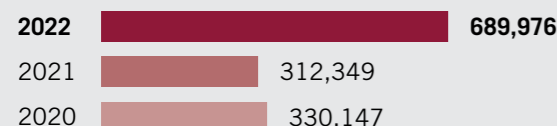


PROFIT BEFORE TAX (RM'000)

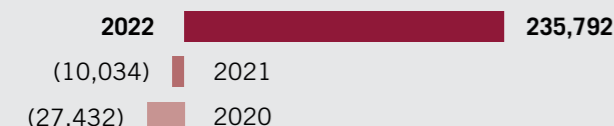


Property Investment

REVENUE (RM'000)



PROFIT/(LOSS) BEFORE TAX (RM'000)

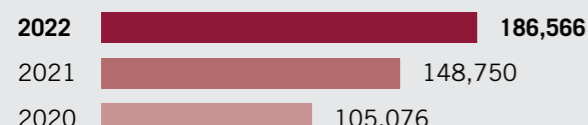


Construction

REVENUE (RM'000)

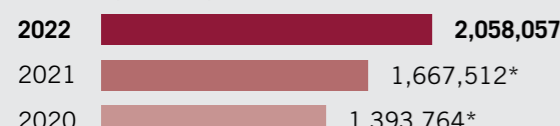


PROFIT BEFORE TAX (RM'000)

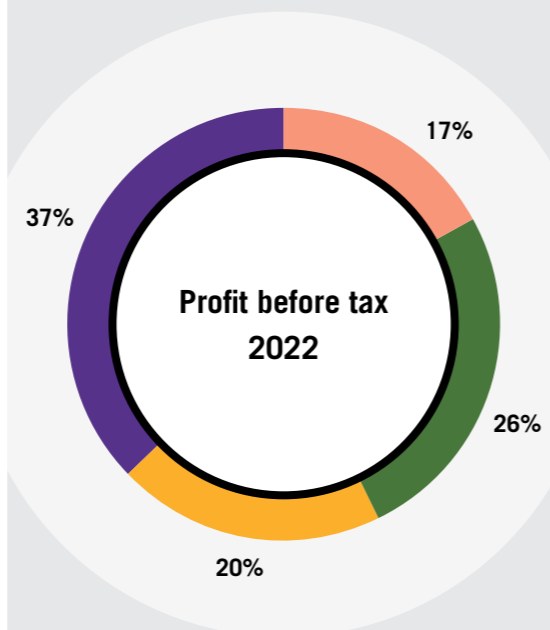
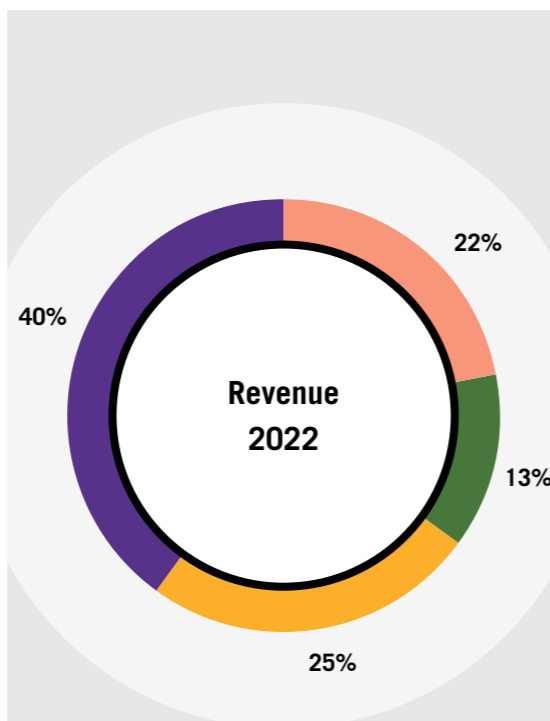
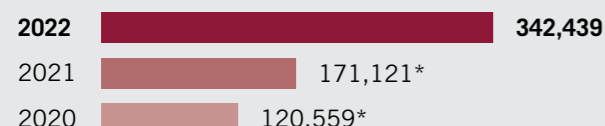


Strategic Investments (Continuing Operations)

REVENUE (RM'000)



PROFIT BEFORE TAX (RM'000)



■ Property Development
 ■ Property Investment
 ■ Construction
 ■ Strategic Investments (Continuing Operations)
 (comprises Trading and Manufacturing, Quarry, Building Materials and Others)

FINANCIAL VALUES CREATED FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended				
	2022 RM'000	2021 RM'000	2020 RM'000 (Restated)	2019 RM'000 (Restated)	2018 RM'000 (Restated)
OPERATING RESULTS					
Continuing operations					
Revenue	5,194,949	3,717,308	3,208,759	4,195,446	4,950,442
Profit before tax	920,051	463,899	490,124	803,935	772,710
Income tax expense	(166,951)	(116,229)	(102,636)	(78,398)	(121,268)
Profit for the financial year from continuing operations	753,100	347,670	387,488	725,537	651,443
Discontinued operations					
Profit for the financial year from discontinued operations, net of tax	-	2,390,486	17,388	61,357	54,178
Profit for the financial year	753,100	2,738,156	404,876	786,894	705,620
Attributable to owners of the parent					
From continuing operations	676,845	293,504	340,264	648,375	581,923
From discontinued operations	-	2,370,942	16,990	60,790	53,846
	676,845	2,664,446	357,254	709,165	635,768
Attributable to non-controlling interests					
From continuing operations	76,255	54,166	47,224	77,162	69,520
From discontinued operations	-	19,544	398	567	332
	76,255	73,710	47,622	77,729	69,852
	753,100	2,738,156	404,876	786,894	705,620
KEY BALANCE SHEET DATA					
Property, plant and equipment	1,265,122	1,262,253	2,620,747	2,749,044	2,627,664
Investment properties	2,443,181	2,186,313	2,033,400	2,327,617	1,942,744
Rock reserves	4,819	5,082	5,342	5,605	5,868
Land held for property development	1,839,757	1,671,126	1,795,500	1,674,576	1,671,311
Investments in associates and joint ventures	9,342,088	8,901,667	4,349,965	4,085,235	3,390,661
Goodwill	378,134	376,225	325,435	311,808	313,893
Deferred tax assets	53,873	47,405	60,765	68,574	110,342
Trade receivables (non-current)	454,000	204,198	179,713	140,071	63,838
Derivatives (non-current)	2,086	7,540	-	-	-
Other non-current assets	1,932,293	2,423,763	2,684,248	1,928,532	2,292,030
Current assets	8,341,400	7,998,726	7,038,029	8,181,277	6,720,523
Assets of disposal group classified as held for sale	-	-	-	-	486,128
Total assets	26,056,753	25,084,298	21,093,144	21,472,339	19,625,002
Long term borrowings	3,094,910	4,021,413	1,649,973	872,563	1,230,226
Perpetual sukuk	600,000	600,000	600,000	400,000	400,000
Deferred tax liabilities	185,424	108,967	122,489	130,304	146,907
Hire purchase and lease liabilities (non-current)	91,245	90,741	325,262	768,204	810,389
Derivatives (non-current)	274,598	188,957	1,665	187	36
Other long term liabilities	232,726	245,732	134,713	59,414	128,993
Current liabilities	8,005,315	6,706,188	7,948,465	9,830,340	8,324,485
Total liabilities	12,484,218	11,961,998	10,782,567	12,061,012	11,041,036
Non-controlling interests	1,031,780	1,091,921	797,382	1,043,960	619,106
Shareholders' equity	12,540,755	12,030,379	9,513,195	8,367,367	7,964,860
Total equity	13,572,535	13,122,300	10,310,577	9,411,327	8,583,966
FINANCIAL RATIOS					
Profit before tax margin (%)	17.71	12.48	15.27	19.16	15.61
Basic earnings per share (sen)	10.66	44.91	7.20	14.55	13.05
Diluted earnings per share (sen)	10.43	44.38	7.20	14.55	13.04
Closing share price as at end of period (RM)*	1.62	1.72	1.61	1.80	1.47
Price-earnings ratio (times)	15.20	3.83	26.44	12.45	11.22
Return on capital employed (ROCE) (%)	5.50	3.10	3.66	6.79	6.55
Return on equity (ROE) (%)	5.63	28.01	4.27	8.90	8.06
Net gearing ratio (times) [@]	0.52	0.45	0.52	0.61	0.52
Net tangible assets per share (sen)	206.15	197.59	156.09	163.75	157.19
Net assets per share (sen)	213.76	205.06	162.16	170.63	164.15
Share capital (RM'000)	5,393,897	5,393,889	5,393,667	5,393,666	5,379,437
Number of ordinary shares ('000)	4,934,079	4,934,074	4,933,932	4,933,931	4,924,402
Number of irredeemable convertible preference shares ('000)	977,779	977,779	977,779	-	-

1) Following the reassessment of the Group's investments in the wholesale funds in FY 2020, the financial statements for FY 2018 to FY 2020 were restated via prior year adjustments retrospectively.
 2) The financial statements for FY 2019 (Restated) and FY 2018 (Restated) were prepared in accordance with Malaysian Financial Reporting Standards (MFRS) including the effects of MFRS 16 Leases which was adopted in FY 2020.
 3) The financial statements for FY 2020 (Restated) and FY 2019 (Restated) were prepared in accordance with MFRS including the effects of applying IFRS Interpretation Committee ("IFRIC") agenda decision on IAS 23 Borrowing Costs on over time transfer of constructed goods. The financial statement for FY 2018 was prepared in accordance with MFRS and has not been restated to include the effects of IAS 23 Borrowing Costs.

[^] Source: Bloomberg
[@] Net gearing ratio calculations exclude cross currency swap.

* Revenue and profit before tax for FY 2021 and FY 2020 excluded results arising from discontinued operations as disclosed in Note 13 to the financial statements.

Please refer to Financial Review in Management Discussion and Analysis and Financial Statements for more information.

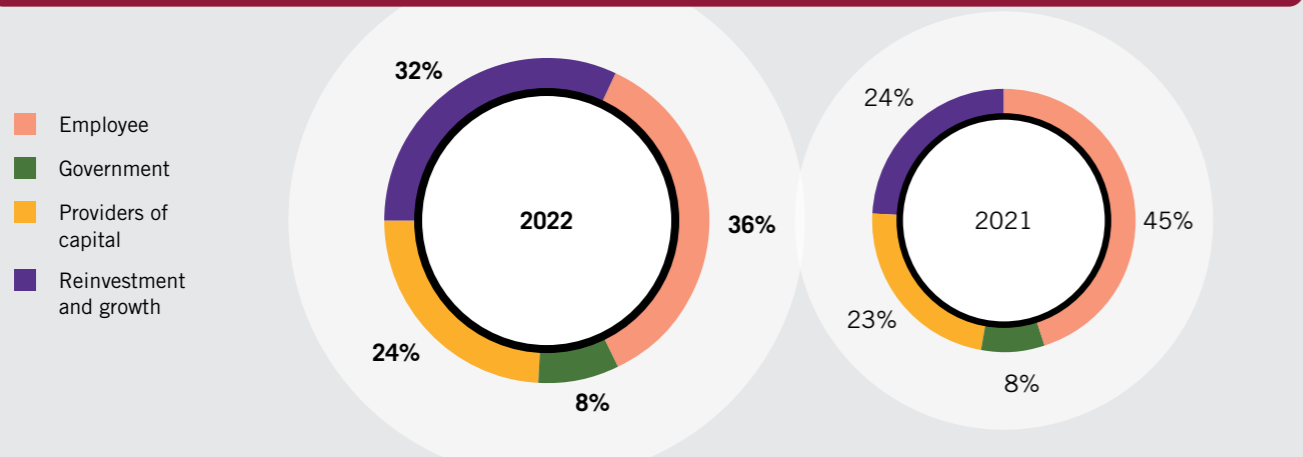
Sunway Berhad

Integrated Annual Report 2022

FINANCIAL VALUES CREATED
VALUE ADDED STATEMENT

FINANCIAL YEAR ENDED	2022 (RM'000)	2021 (RM'000)
Continuing operations		
Value added		
Total turnover	5,194,949	3,717,308
Purchases of goods and services	(3,497,436)	(2,483,124)
Value added by the Group	1,697,513	1,234,184
Share of profits of associates	119,270	60,168
Share of profits of joint ventures	231,784	21,024
Net gain on revaluation of investment properties	23,509	47,300
Total value added from continuing operations	2,072,076	1,362,676
Reconciliation:		
Profit for the year	753,100	347,670
Add: Depreciation and amortisation	130,190	133,478
Finance costs	202,150	102,301
Staff costs	743,430	608,832
Taxation	166,951	116,229
Minority interests	76,255	54,166
Total value added from continuing operations	2,072,076	1,362,676
Value distributed		
Employees		
Salaries and other staff costs	743,430	608,832
Government		
Corporate taxation	166,951	116,229
Providers of capital		
Dividends	222,451	151,960
Finance costs	202,150	102,301
Minority interests	76,255	54,166
Reinvestment and growth		
Depreciation and amortisation	130,190	133,478
Income retained by the Group	530,649	195,710
Total distributed from continuing operations	2,072,076	1,362,676

VALUE DISTRIBUTED

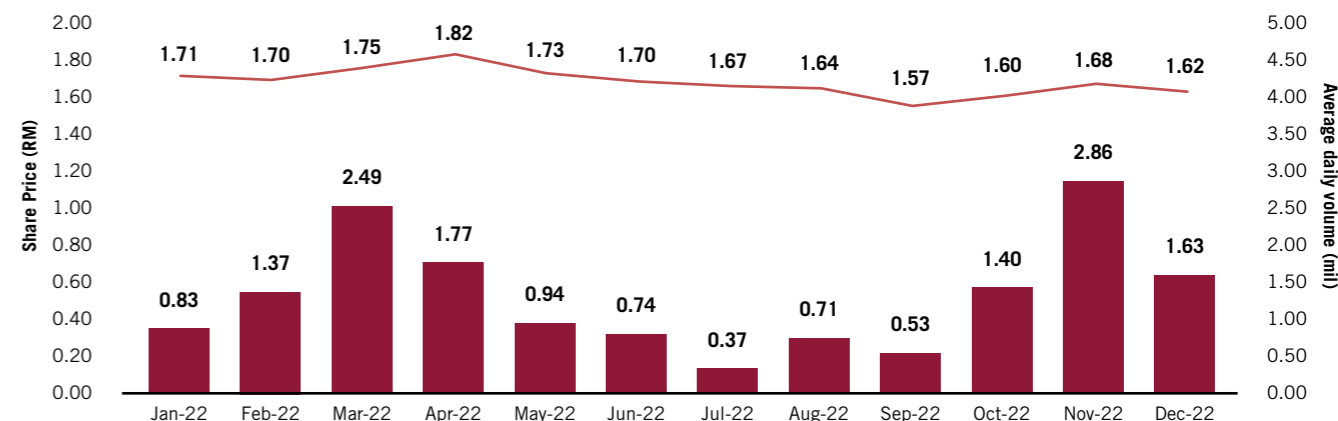


FINANCIAL VALUES CREATED
SHARE PERFORMANCE

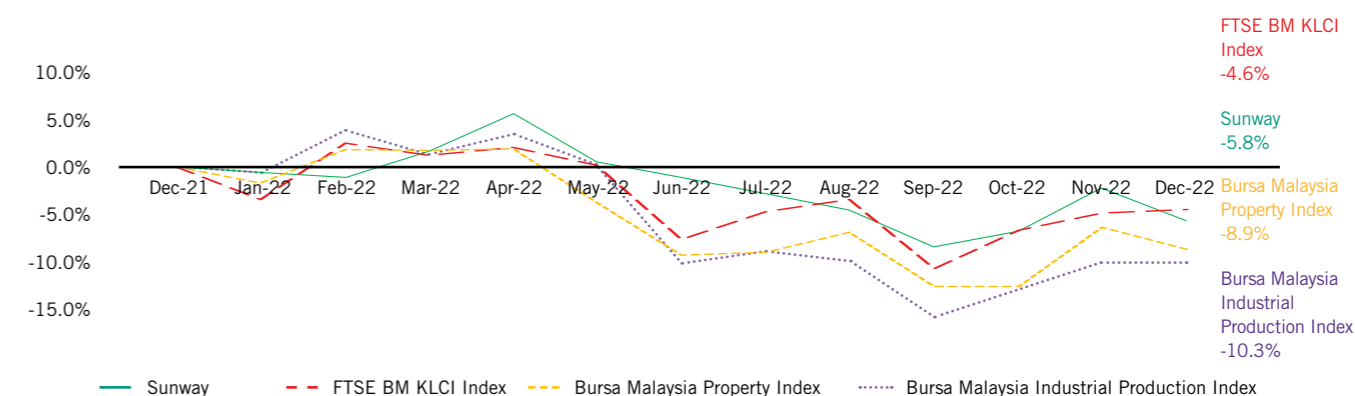
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Closing Price (RM)	1.71	1.70	1.75	1.82	1.73	1.70	1.67	1.64	1.57	1.60	1.68	1.62
Total Monthly Volume (mil)	16.61	24.64	57.36	35.49	16.90	15.63	7.48	15.51	11.22	26.65	57.18	34.18
Average Daily Volume (mil)	0.83	1.37	2.49	1.77	0.94	0.74	0.37	0.71	0.53	1.40	2.86	1.63
FTSE BM KLCI Index*	1,512.27	1,608.28	1,587.36	1,600.43	1,570.10	1,444.22	1,492.23	1,512.05	1,394.63	1,460.38	1,488.80	1,495.49
Bursa Malaysia Property Index	691.58	716.66	716.23	717.57	676.85	636.71	638.56	653.98	612.74	612.86	657.70	641.13
Bursa Malaysia Industrial Production Index	201.33	210.88	205.44	210.03	203.21	181.70	184.37	182.20	169.87	175.80	181.76	181.78

* Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index
Source: Bloomberg

Share Price and Average Daily Volume



Share Price Performance Versus Benchmarks



SUNWAY BUSINESS MODEL

Sunway is a conglomerate that operates on a “Build-Own-Operate” (“BOO”) business model. In essence, Sunway, through its various business divisions designs, builds and sells properties, or retains these properties to generate recurring income within the Group. The latter is achieved through the management and operations of hospitality, healthcare and retail properties including retail malls, commercial buildings and others.

The design, build and sell aspects of the business model are carried out by Sunway's Property Development and Construction divisions. Meanwhile, property ownership and operations are undertaken by the Group's Hospitality, Healthcare, Leisure and Property Investment and REIT divisions.

Supporting these principal business activities are other divisions such as Trading and Manufacturing, Building Materials, Quarry – which provide the necessary inputs; products and services i.e. raw materials, machinery and others that enable the effective execution of the BOO model.

However, in staying relevant with a rapidly evolving operating environment, the traditional defined roles of the business divisions are also experiencing changes. For example, both the construction and property development divisions also own and manage assets to generate recurring income as opposed to pure design and build or build and sell operating models. Supporting business divisions are also increasingly expanding beyond the Sunway group – offering their products and services to the external market to generate revenues.

Sunway's dynamic business model enables the Group to continue to keep up with the demands of the external environment. It continues to create and sustain values as demonstrated in Sunway City Kuala Lumpur.

Support Functions / Enablers

- Landbank Acquisition
- Masterplanning and design
- Supply chain functions
- Raw materials
- Talent and expertise

Operating Model

Within the BOO model, Sunway employs several other sub models, including:

BUILD TO
SELL

Sunway constructs properties and sells the properties for revenue.

Primarily involves Sunway's Property Development division, where landbank is developed into townships or standalone developments.

BUILD FOR
OTHERS

Sunway designs and builds assets owned by others and the Group collects project management and construction fees.

Primarily undertaken by SunCon, the Group's Construction division. SunCon designs and builds assets for others, but is increasingly also progressing into asset management and ownership.

BUILD AND
MANAGE

Sunway constructs assets owned by others and post-completion, manages the said assets for a stipulated period.

This approach involves SunCon together with other divisions that undertake asset management and operations, though the asset is not owned by the Group.

BUILD, OWN,
OPERATE

Sunway designs and builds assets that are owned and thereafter managed by the Group.

Management of these assets are aimed at providing specific services or enable Sunway to venture and establish its presence in selected industries. Divisions involved include Leisure, Hospitality, Property Investment / REIT and Healthcare.

Business model is executed through the respective business strengths and strategies of the Group and the relevant business divisions

Each of these elements form an integral part of a bigger ecosystem that provides an intellectual, synergistic and complementing catalyst to propel the Group forward to be a leading Asia's model corporation

- Property Development
- Property Investment / REIT
- Healthcare
- Retail
- Commercial
- Leisure
- Hospitality
- Industrial
- Construction
- Building Materials
- Trading and Manufacturing
- Quarry
- Education*
- Digital**

* Under the not-for-profit, Jeffrey Cheah Foundation
 ** Include other companies not directly under Sunway Group

SUNWAY BUSINESS MODEL

Values Created

Financial Capital

Generation of revenues and earnings, business growth, dividends, ROE and ROI. Business and operational results.

Manufactured Capital

Development of buildings, infrastructures, shopping malls, hospitals, townships, homes, growth in product supply and output. Other tangible results and outcomes.

Human Capital

Development of professional, knowledge-based homegrown talent, developing high-paying jobs, creating robust talent ecosystems.

Intellectual Capital

Growth of Intellectual Property (IP), development of new techniques and methodologies processes and technologies. Strengthening of internal systems and processes.

Social and Relationship Capital

Satisfying stakeholders, stronger rapport and relationships, heightened brand recognition as a good corporate citizen. Ensuring human and labour rights.

Natural Capital

Efficiency in resource consumption, reduced carbon footprint, preserving biodiversity and reducing wastes.

Continued growth in revenues, earnings, shareholder values and asset base.

Reshaping the urban landscape, developing new assets, producing a wide range of goods and services. Bringing much needed infrastructures such as schools, hospitals, housing and more.

Providing job and educational opportunities, developing local talents, raising income levels, improving the competency and creating a local talent pool.

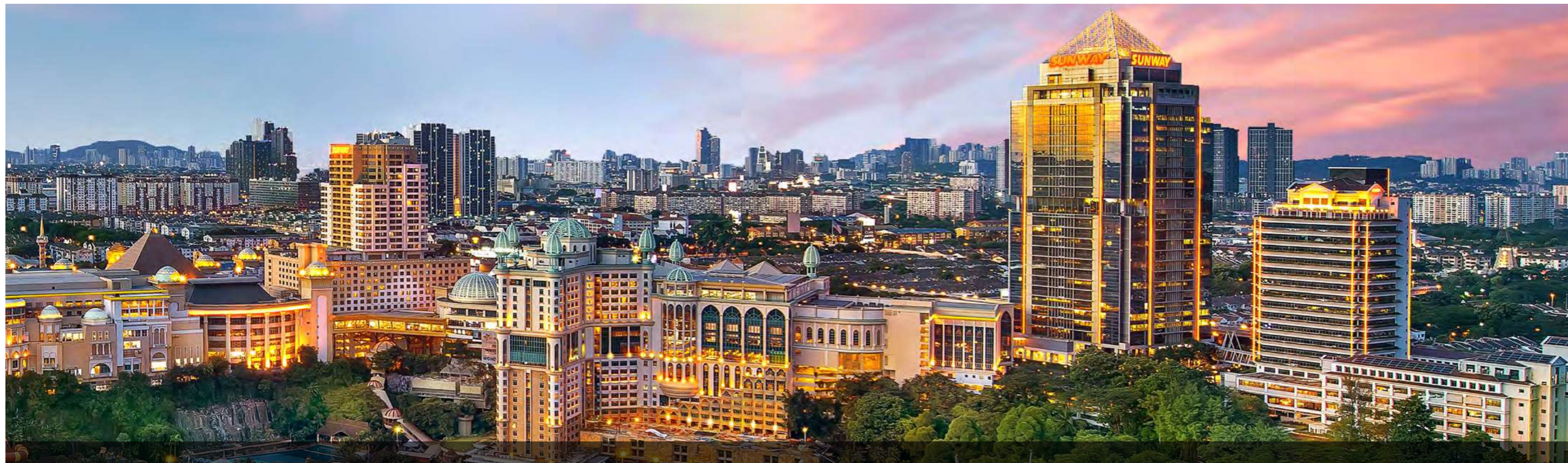
Introduction of new business concepts, setting new industry benchmarks, raising quality levels, promoting technology and knowledge acquisition.

Socioeconomic development of local communities, promoting social unity and strengthening stakeholder relationships.

Preservation of green lungs and biodiversity, facilitating resource efficiency, reducing emissions and supporting to the realisation of a net zero carbon emissions target by 2050.

SUNWAY CITY KUALA LUMPUR

SUNWAY CITY KUALA LUMPUR



The Sunway BOO model is evident across the Group's master-planned township. The Group's 800-acre Sunway City Kuala Lumpur ("SCKL") flagship development epitomises all aspects and features of the business model. Building on its nearly five decades of remarkable track record, SCKL continues to thrive, ushering in continued growth and progress, while setting the benchmarks for sustainable and smart living.

Embracing innovation, digitalisation and circular economy concepts strengthen the BOO model. This sustains the township's ecosystem -- enabling continued creation and enhancement of financial and non-financial values for diverse stakeholders.

<p>Master Community Developments A master creator of a sustainable ecosystem where Sunway co-invests with homeowners, creating an integrated environment to live, learn, work, play, be healthy, and be connected in a safe environment.</p>	<p>Excellent Accessibility and Connectivity SCKL provides excellent road infrastructure, public transportation, and connectivity to promote sustainable mobility and efforts toward reducing carbon emissions.</p>	<p>Advancing Innovation New innovations such as urban farming, "green" building technologies, and more contribute to an eco-friendlier township and promote a degree of self-sufficiency in the long term.</p>
<p>Landmark Destination A preferred destination for retail, hospitality, leisure and commercial activities. These vibrant properties and theme park create synergistic benefits to one another.</p>	<p>Job Creation Businesses in SCKL ecosystem create job opportunities which has a substantial economic multiplier effect. Sunway also helps to contribute to nation-building this way.</p>	
<p>World-Class Quality Healthcare One of the leading private quaternary medical care centres in the country. Access to world-class quality healthcare and poised to set the standard of healthcare services through its expansion to serve the local communities and growing demand for medical tourism.</p>	<p>The Green Lung The natural environment of "blue" and "green terrain" is treasured as providing a tranquil sanctuary amidst urban development. SCKL's green lung helps in regulating the city's temperature naturally.</p>	

OUR APPROACH TO VALUE CREATION

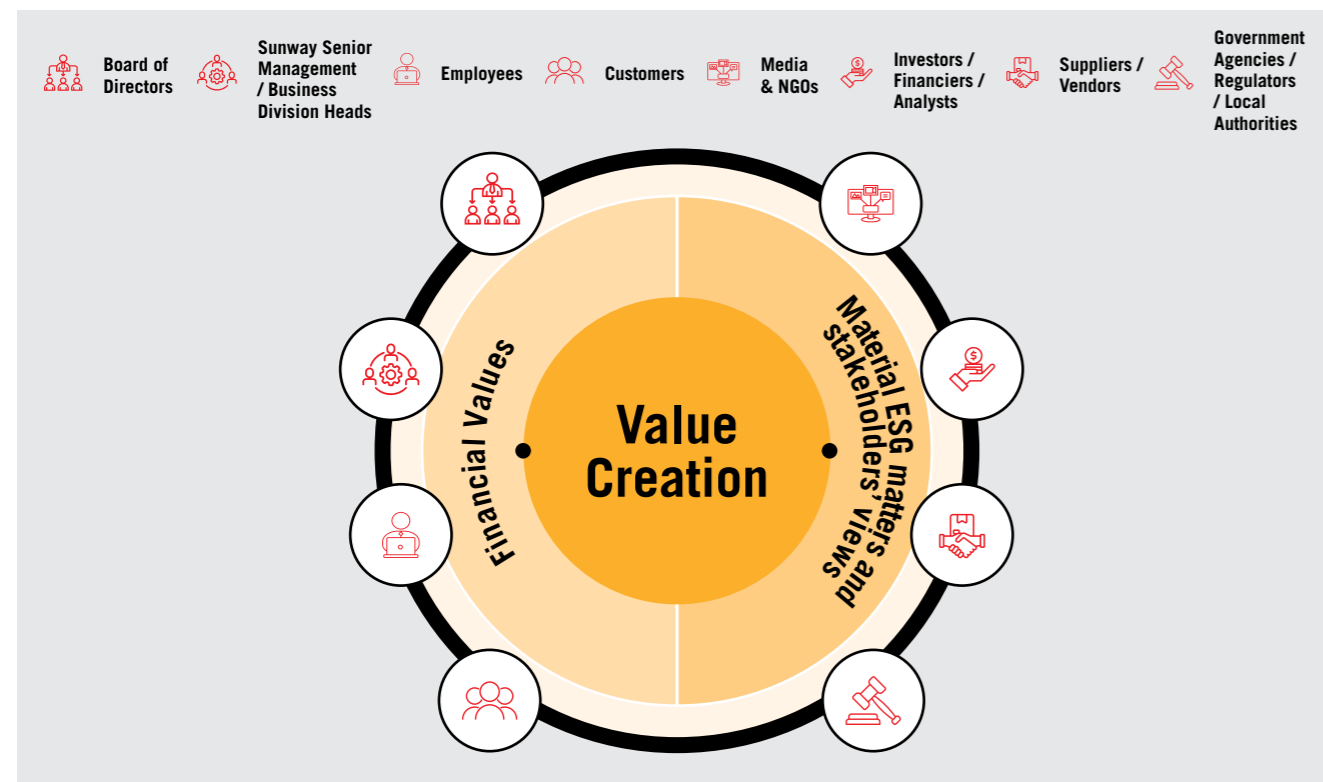
More organisations are shifting their business strategy from a pure profit maximisation perspective towards a multi-capital, multi-value perspective, driven by the understanding that ESG has, and continues to influence the value creation capabilities of the organisations.

Organisations must now consider how ESG trends, stakeholders' priorities and concerns, resource scarcity and other factors influence and impact the ability of the businesses to thrive amidst a dynamic and complex operating environment, over the short, medium and long-term horizons.

In essence, the concept of a triple bottom line – people, planet and prosperity continues to progress into the mainstay of the corporate strategy. ESG is a major consideration when developing business strategies to navigate present challenges, develop a distinctive and robust business model and to sustain value creation.

SUNWAY'S MULTI-CAPITAL VALUE CREATION PERSPECTIVE

Where both financial and non-financial performance are measured across a triple bottom line, based on its impact on the Group and stakeholders over the short, medium and long-term perspectives.



FEELING THE PULSE OF STAKEHOLDERS

Increasingly, stakeholders are demanding and expect corporates to demonstrate greater responsibility and focus on their professional conduct, which extends beyond the typical expectations of shareholder returns, profits, and quality of products and services. While these stakeholders continue to place a high priority on revenue, profitability, product quality, and customer satisfaction at the same time, they also expect the organisations to produce products and render their services in an ethical and responsible manner. This requirement encompasses not just the company's operations, but also its value chain, comprising domestic and international suppliers, contractors, service providers, and others.

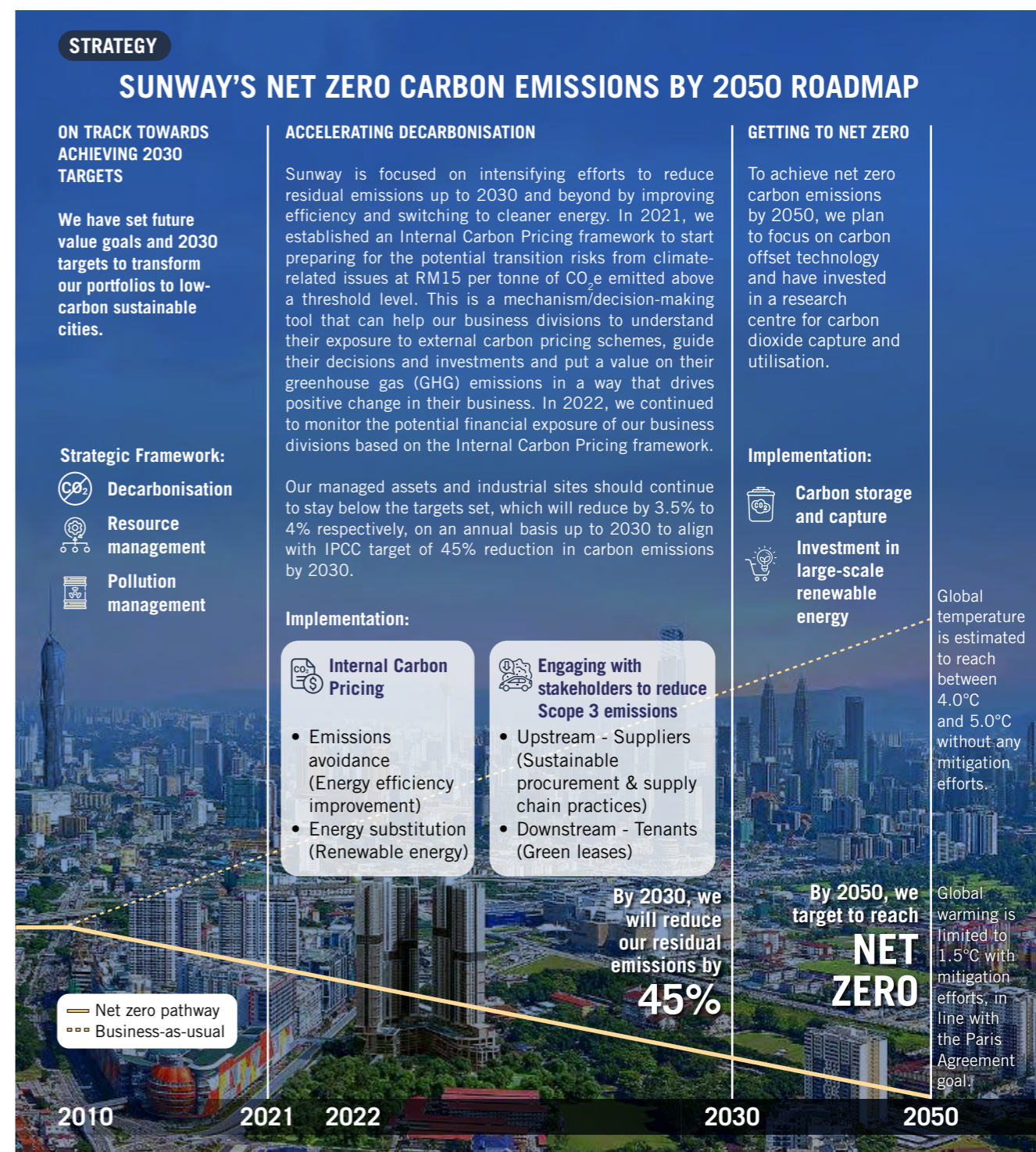
This shifting ethical question has led companies to rethink their approach to value creation, where traceability and accountability of goods and services is necessary as evidence of good professional conduct and sustainably produced products.

OUR APPROACH TO VALUE CREATION

AN EVOLVED BUSINESS PARADIGM

Consistent with its triple bottom line approach, ESG considerations have become an intrinsic component within the Group's corporate strategies and the strategies of every business division.

The target to achieve net zero carbon emissions by 2050 is at the heart of the Group's corporate direction. The business framework and sustainability framework continue to be integrated progressively and with that, the emergence of new focus areas and business opportunities.



Please refer to our SR 2022 for more information on Sunway's journey to Net Zero Carbon by 2050.

OUR APPROACH TO VALUE CREATION

RESPONDING PROACTIVELY TO EXISTENTIAL CHALLENGES

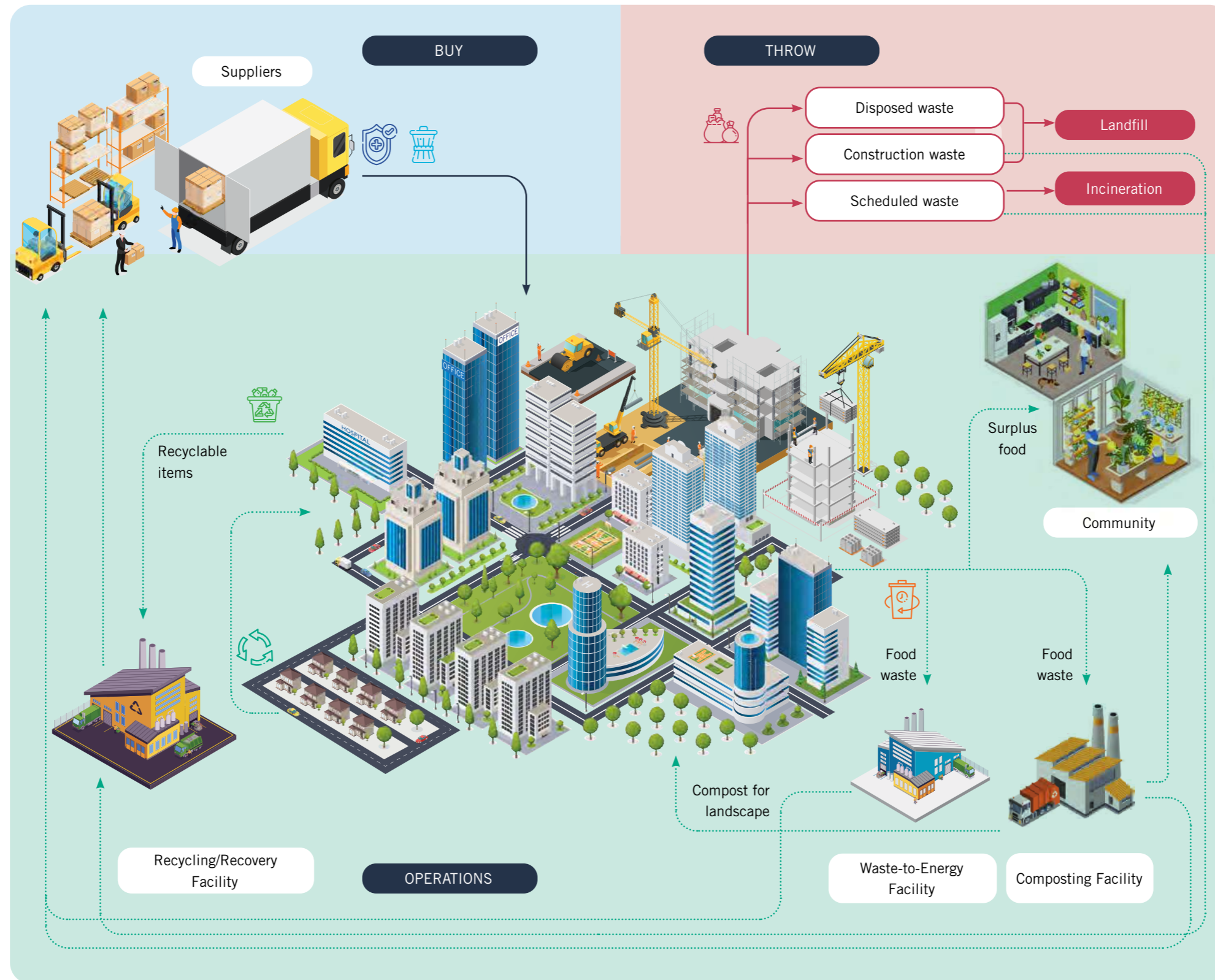
Sunway has been swift to adopt a wide range of strategic measures. These include rethinking and enhancing its conventional BOO business model to progressively adopt a more circular economy strategy across the business divisions. The linkages between ESG and businesses, sustainability and enterprise values are evident. Businesses and the entire modern capitalistic economy are unsustainable if businesses continue to operate in a linear economy.

A shift to a circular economy approach, brings about the ideology of regenerative and distributive dynamics based on reduce, reuse and recycle to sustain businesses and lifecycles. These circular economy approaches are apparent in the respective operations of the business divisions, reflected in the form of:

- Resource reduction and efficiency
- Reuse and recycle waste
- Growing pivot towards the usage of more eco-friendly materials
- Manufacture and provision of more eco-friendly products including service experience to customers

Increasingly, Sunway's business model is transitioning towards the circular economy approach, with all business divisions are gradually evolving towards the adoption of the same.

THE CIRCULAR ECONOMY CONCEPT OF SUNWAY



OUR APPROACH TO VALUE CREATION

THE PLANET WILL NOT WAIT

Ultimately, almost all of the challenges and calamities that we face in the world today are inter-related. Environmental issues impact societies which lead to greater pressures on the environment, mass migrations, labour issues and humanity related crises. This in turn places greater strain on finite resources, especially in urban areas.

While the Group continues to focus on financial value creation, it is also committed to operating in a sustainable manner and to go beyond, by actively playing a role to address environmental and social concerns affecting the world today.

FOCUSING ON WHAT'S MATERIAL

Determining key sustainability issues that are material to our business is pertinent to the Group's journey of value creation. We review and assess our material issues on an annual basis to ensure that we identify and meet stakeholder needs, in addition to mitigating risks and identifying opportunities.

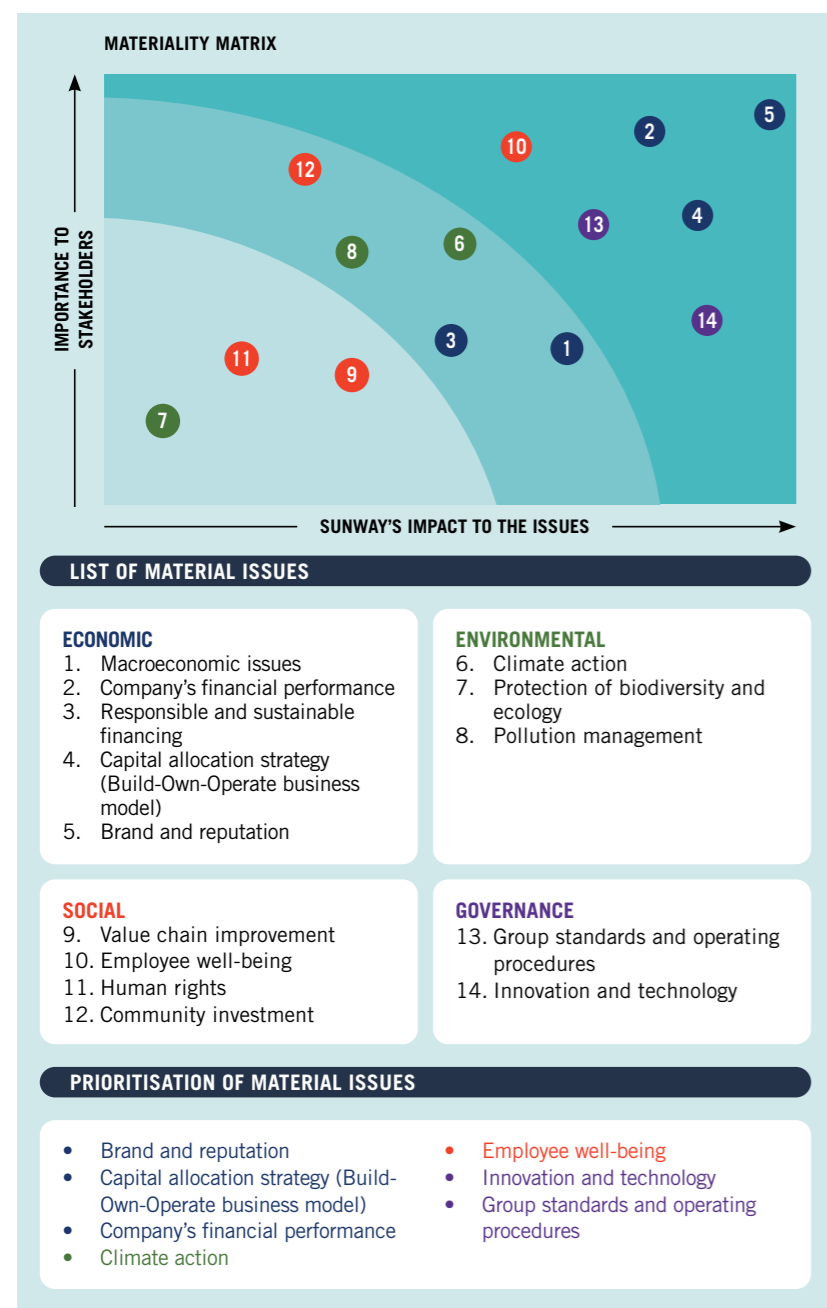
Conducting a materiality assessment also allows us to align our material issues and priorities with current trends, global developments and industry peers. We conduct a thorough materiality survey involving internal and external stakeholders annually to better understand our position and our ESG impacts on our stakeholders.

In 2022, we conducted a fresh materiality assessment with 14 material issues addressing economic, environmental, social and governance issues to better reflect our management approach.

OUR APPROACH TO VALUE CREATION

MATERIAL MATTERS

Through the materiality assessment conducted, the survey results were collated and plotted in a materiality matrix based on the relevant stakeholder's material issues impact to Sunway's value creation ability and Sunway's impact to these issues. In the materiality matrix, the prioritised issues were located in the outermost section.



The results of the materiality assessment revealed six material issues that were most significant to stakeholders based on their impact on Sunway and Sunway's impact on the issues. As part of our commitment towards Net Zero by 2050, we included Climate Action as the seventh prioritised material issue. These seven material issues reflect how we are shifting away from a solely profit-driven business strategy toward a multi-capital, multi-value perspective. This is supported by our knowledge that ESG can and has already affected financial performance.

Detailed discussion on Sunway's materiality assessment approach, findings and management's response in addressing these material issues are provided in SR 2022.

Please refer to our SR 2022 for more information on the Materiality Assessment.

UNDERSTANDING OUR KEY RISK FACTORS

The analysis of the global megatrends and identification and prioritisation of material matters enables the Group to identify its most pertinent business, operational and financial risks.

The Group's risk focus areas are divided into 7 main categories. These are:

- External**
Risks related to natural disasters, disease outbreaks, manmade disasters, political and economic uncertainties, globalisation, competition, take over and public perception.
- Financial**
Risks related to asset & liability management, budget, costs, regulatory fines, litigation costs and environmental related costs
- Regulatory and Compliance**
Compliance towards environmental, statutory and social laws and regulations.
- Corporate Governance**
Relate to internal controls and business ethics which include compliance towards the Group's code of conduct, business ethics and policies and procedures.
- Value Chain**
Resource management of materials, water, energy and wastes, suppliers and customers.
- People**
Human rights, employee safety and health, labour standards and practices, human capital development and diversity and inclusion.
- Infrastructure**
Divided into the Group's Digital Infrastructure covering disaster recovery, information technology, data storage and cybersecurity while Physical Infrastructure covers the Group's assets such as land, buildings, plants, warehouses, factories, fixtures and machinery.

These risks are identified and assessed by the business divisions on a quarterly basis. Subsequently, controls, mitigating plans and monitoring mechanisms are put in place and monitored closely.

The details of the risks that are most prevalent among the business divisions in the Group is discussed in detail in the Statement on Risk Management and Internal Control.

Please refer to the Statement on Risk Management and Internal Control on pages 143 to 147 for more details.

CLIMATE RELATED RISKS

One of the key external risks which the Group has been taking urgent action on is to mitigate climate change risks. We are committed to achieving our Net Zero Carbon Emissions by 2050 ambition to limit global temperature rise to 1.5°C, in line with the Paris Agreement and Malaysia's agenda of reaching net zero carbon emissions by 2050.

Sunway's management approach to addressing climate change risks is aligned to the Task Force on Climate-related Financial Disclosures ("TCFD") framework. The Group's approach is based on the four pillars of TCFD which are Governance, Strategy, Risk Management and Metrics and Targets.

Climate-related risks come under the purview of the Board of Directors through the Group's Board Sustainability Committee ("BSC"), and is supported by Management and a dedicated Group Sustainability Department. Comprising four Directors from the Group's Board of Directors, the BSC has full oversight of the Group's sustainability strategies and issues including climate-related risks and opportunities, key ESG targets and performance, as well as progress achieved against a comprehensive scorecard.

In 2021, The Jeffrey Sachs Center on Sustainable Development (JSC) has been tasked to quantify Sunway's climate Value at Risk ("VaR") based on the worst-case scenario as part of risk analysis exercise. The VaR analysis assessed the potential financial losses on the Group's property assets and recommended mitigation measures based on the assumption that the worst material physical risks, such as increased rainfall intensity and floods in Malaysia, would occur as a result of climate change. Specific information regarding the methodology and results of the VaR is available in SR 2022.

Since 2021, the Company has commenced the incorporation of sustainability-related KPIs and targets as part of the performance evaluation of the senior management.

Sunway has also established its Internal Carbon Pricing framework in FY 2022 for all business divisions. The pricing framework enables a firm monetary value to be placed on carbon emissions which can then guide business decisions and investment strategies towards realising the overarching objective of Net Zero Carbon Emissions by 2050. From 2022 to 2024, the price has been set at RM15 per tonne of CO₂e emitted above a pre-defined threshold level. This carbon price will be recalibrated progressively in subsequent years. This is also a form of transitional risks mitigation.

The Group's five sustainability 2030 goals address all ESG related risks, including climate change risks. A Sustainability Scorecard is reported annually to track the performance of the Group against its goals and targets. Please refer to our SR 2022 to see how the Group has performed in achieving these goals in FY 2022.

OUR APPROACH TO VALUE CREATION

SUNWAY SUSTAINABILITY 2030 GOALS

GOAL 1

TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON SUSTAINABLE CITIES

Sunway is committed to adapting to climate change and transforming its townships to low-carbon cities to build a sustainable future for all.

GOAL 2

ADVOCATING A RESPONSIBLE VALUE CHAIN

Sunway is committed to advocating sustainable procurement practices by instilling ESG awareness among its suppliers and vendors to safeguard a responsible value chain.

GOAL 3

DEVELOPING A SAFE, EQUAL AND DIGNIFIED WORKFORCE

Sunway prioritises its workforce by ensuring a safe, inclusive work culture and investing in the skills, well-being, needs and capabilities of its talents to ensure long-term productivity and growth. We are also committed to improving the safety and well-being of our partners, vendors and communities in which we operate.

GOAL 4

INVESTING IN COMMUNITY INCLUSIVITY

Sunway is committed to uplifting the livelihood of the marginalised and the underprivileged through empowering programmes that will create long-lasting positive impacts.

GOAL 5

RESPECTING ETHICAL PRINCIPLES

Sunway holds true to its core value of Integrity and goes beyond compliance and regulations in all its business dealings to drive good corporate governance within the Group. We are committed to strong governance to uphold peace, justice and strong institutions.

Moving forward, the Group aims to reduce the carbon emissions of the supply chain, which will involve consolidated effort and commitment from its suppliers, vendors and tenants, to achieve Net Zero Carbon Emissions by 2050.

Please refer to our SR 2022 for more information on the Sustainability Scorecard of the Group.

OUR APPROACH TO VALUE CREATION

To adapt to climate change, the Group has established 4 policies in 2022 to guide its management of environment and biodiversity matters:

GREEN TOWNSHIP POLICY

Sunway focuses on the rehabilitation of the natural environment within its townships by conserving the natural ecosystem and improving the health of the local communities.

Green Township Policy outlines the key requirements that are essential to the development of green townships. Green townships are defined as a well-planned development designed to promote the protection of the natural environment, incorporate innovative solutions to optimise the use of natural resources, as well as promote connectivity of the community within and outside the townships.

The Group is committed to ensuring that all its new townships developed from 2025 onwards will be green-certified, and the green certification of existing townships will be reviewed and monitored.

GREEN BUILDING POLICY

The Group identifies green buildings as development that focuses on increasing the efficiency of resource use such as energy, water, and materials; while reducing building impact on human health and the environment during the building's life cycle, through better design, construction, operation and maintenance.

The Green Building Policy guides the business on the key requirements that are essential to the development of green buildings in producing sustainable designs and managing resources effectively, while minimising the impact of the operations on the surrounding communities and the environment.

Sunway is committed to ensuring all new buildings from 2025 onwards are green-certified, and will continue to integrate sustainable practices into the development, operations and management of its townships and buildings.

BIODIVERSITY POLICY

Sunway defines biodiversity as a combination of elements related to the conservation and sustainable use of biologically diverse ecosystems and habitats that significantly contribute to the health and social well-being of the public. The Group's commitment towards preserving the environment is guided by its Biodiversity Policy.

The policy underlines the main principles of conduct for biodiversity management, which encompasses regulatory compliance, the principles of mitigation hierarchy (avoid, minimise, rehabilitate) and the commitment to preserving natural water bodies.

These goals are achieved by conducting regular ecological assessments at the pre-development stage, followed by a review and management of biodiversity-related risks and opportunities to mitigate any impact caused by the Group's operations and activities.

SUSTAINABLE EVENTS MANAGEMENT POLICY

The Group is committed to foster good environmental stewardship in all of the Group's business operations and reduce its negative contribution towards planetary health by protecting the natural environment through conservation and sustainable practices. This sustainable event management policy has been developed to help event organisers plan and deliver successful events that minimise negative impacts on the environment and foster positive community relations wherever possible.

Detailed discussion on Sunway's actions on climate change and impact stories are provided in our SR 2022.

 Please refer to our SR 2022 for more information on the policies, Sunway's action on climate change and impact stories.

ADOPTING A MULTI-CAPITAL PERSPECTIVE

By adopting integrated thinking – understanding the linkages between financial and non-financial capitals, it is evident that adopting a larger and enlightened perspective beyond revenues and profits augurs well for the health of businesses, especially in the medium to long-term.

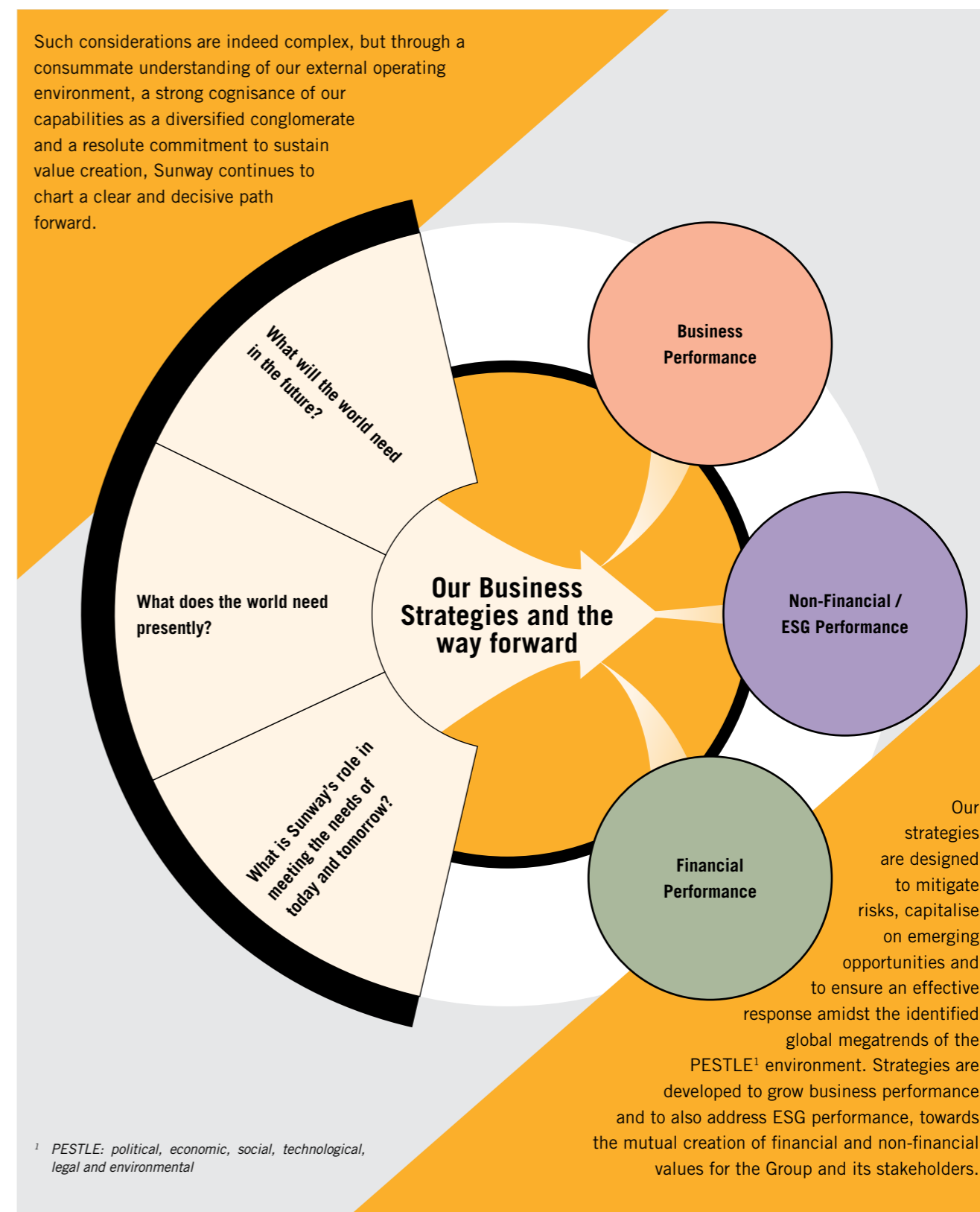
Ensuring good environmental and social performance as well as governance leads to a more competitive and resilient business model that effectively mitigates emerging and inherent risks. The fundamental shift is the transition from pure, short-term profit-oriented goals towards adopting longer-term, sustained value creation approaches.

Detailed discussion on the strategies, highlights, accomplishments and future orientation are provided in the Management Discussion and Analysis section for IAR 2022.

A MULTI-CAPITAL PERSPECTIVE

In developing our strategies, the following questions guide our strategic thinking: What does the world need presently? What will the world need in the future? What is Sunway's role in meeting the needs of today and tomorrow?

Such considerations are indeed complex, but through a consummate understanding of our external operating environment, a strong cognisance of our capabilities as a diversified conglomerate and a resolute commitment to sustain value creation, Sunway continues to chart a clear and decisive path forward.



¹ PESTLE: political, economic, social, technological, legal and environmental

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

PROPERTY DEVELOPMENT



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	Launched Sunway Property Signature Series marketing campaign to showcase 8 key projects in the Central region to promote sales.	Achieved RM2.0 billion in property sales RM4.3 billion remaining in unbilled sales
MANUFACTURED	Launched RM1.0 billion GDV worth of property development projects mainly in the Klang Valley.	Completed and handed over 821 units of properties for Vacant Possession.
INTELLECTUAL	Continued leveraging Sunway Group ecosystem to further improve the sustainability of communities. Accelerated digital transformation & enhanced go-to-market strategies via digital platforms.	Launched new mobile-based leads management system with FastKey and WhatsApp for Business for the marketing and sales team. Launched new centralised digital-based communication platform that enables close monitoring of buyer's loan disbursement process.
NATURAL	Landbank replenishment through acquisition focusing on integrated and Transit-Oriented Developments ("TOD"). Set a target to have all developments completed from 2025 onwards to be green-certified for its buildings and townships. Carried out energy, water and waste management across its developments.	Secured a 5.5-acre of land parcel in Cheras with a GDV of approximately RM1.2 billion. Total 3,292 acres of landbank remaining with a total GDV of RM58.9 billion, located mainly in Malaysia.
SOCIAL AND RELATIONSHIP	Launched Sunway Property PALs+ in collaboration with all business divisions in Sunway Group to enhance community experience.	Added benefits for owners, sub-sale owners and tenants of Sunway's property projects for products and services to increase appeal of the property offerings.
HUMAN	Redesign of office space. Introduction of 'Project Marketplace' platform to recruit and reward in-house innovators. Upskilling and reskilling of staff in digital literacy, ESG and core functional and leadership competencies.	Created a more conducive work environment that facilitates networking among employees. Solidified position as the employer of choice. Received 1 st runner-up in Talentbank Graduates' Choice Award 2022 – Property Developer category.

Please see pages 68 to 71 for more detailed discussion on the Property Development division.

HEALTHCARE



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	Effective management of higher cost of operations due to rising interest rates, higher inflationary pressures and the weakening of ringgit against the US dollar. Centralised strategic sourcing and procurement to enhance operational efficiency and derive financial cost savings.	Achieved RM1 billion revenue, a 30% growth year-on-year. Completed Second Closing of the Share Subscription Agreement with RM100 million injected into the Healthcare division. Entered into a Conditional Sale and Purchase Agreement with RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust ("Sunway REIT")) for the proposed acquisition of Sunway Medical Centre Tower A & B for a total purchase consideration of RM430 million.
MANUFACTURED	Ramped up construction of new hospital facilities and expand existing businesses to create new revenue streams. Actively looked out for strategic acquisition that complement the 'hub and spoke' business model. Continued acquiring technological advancements in medical clinical research, becoming the first private hospital in Malaysia to acquire the "Da Vinci Xi" robotic assisted surgical system.	SMC Penang commenced operations to cater to the Northern region. Sunway TCM Centre and Sunway Fertility Centre expanded its presence to East Malaysia. SMC Velocity launched IVF Centre. Sunway Specialist Centre Damansara added more consultation suites. Over 1,000 robotic surgeries performed via the surgical robot to-date.
INTELLECTUAL	Implementation of SunMed Go 2.0 online / mobile application, Hospital Information System (HIS) upgrade and Electronic Medical Record (EMR) systems.	Cost and operational efficiencies derived via reduced paperwork, improved safety, quicker access to patient records for more coordinated and efficient care, as well as more accurate diagnosis. SMC Sunway City retained the internationally-recognised Australian Council on Healthcare Standards ("ACHS") accreditation.
NATURAL	Contributing to Sunway Berhad's goal in transforming our portfolios to low carbon sustainable cities.	Reduction of carbon footprint through focus on energy efficiency and facility management services. Reduced paper consumption through digitalisation of processes.
SOCIAL AND RELATIONSHIP	Strategic relationship management with stakeholders. Launched Sunway Cancer Support Fund worth RM2.5 million in October 2022. Expanded brand presence to Northern region and East Malaysia.	Improved operational efficiency and quality of care across its network of hospitals. Facilitated patients' access to quality care with major insurance companies and third-party healthcare agents on board. Over 200 people benefited from the free mammogram screenings held to-date. Received Frost & Sullivan 2022 Best Practices Award for Malaysia Smart Hospital Company of the Year for the second consecutive year and Healthcare Asia Awards 2022 for Hospital of the Year and Smart Hospital Initiative of the Year for SMC Sunway City.
HUMAN	Addressing manpower challenges for primary caregivers and support staff.	Ongoing nursing programme with Sunway University and other nursing colleges to provide a steady pool of talents for its hospitals. SHG has also reviewed the remuneration package and implement other initiatives to attract and retain nurses.

Please see pages 72 to 75 for more detailed discussion on the Healthcare division.

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

CONSTRUCTION



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Robust capital management and management of rising operational costs from raw materials, labour and interest costs.</p> <p>Leveraged excess cash and financial capacity available to drive expansion into new markets and projects with recurring income streams to enhance revenue stability while cautiously limiting gearing ratio to just 0.5 times.</p>	<p>Registered a stellar financial performance on the back of contributions from projects in India and normalisation of economic activities.</p> <p>Received The Edge Billion Ringgit Club Award 2022 for the Highest Return on Equity over Three Years.</p>
MANUFACTURED	<p>Continued focus on completion of all projects and works in hand and tender for projects within the Sunway Group while also sourcing for projects overseas.</p> <p>Ensuring sufficient raw materials and machinery and maintaining high operability and readiness (low idle rates) for machineries and equipment.</p> <p>Completed the construction and commissioning of the Integrated Construction and Prefabrication Hub ("ICPH") in Pulau Ponggol Barat, Singapore.</p>	<p>Outstanding order book of RM5.3 billion, providing visibility until 2024.</p> <p>Completion of six building projects.</p> <p>Progress of works on multiple projects remain on track.</p> <p>Secured RM2.6 billion new order books, surpassing its target of RM2.0 billion.</p> <p>Gained capacity to produce 73,500m³ of precast components annually at ICPH and the ability to handle a more extensive variety of product mixes.</p>
INTELLECTUAL	<p>Increased use of VDC, BIM and digital methodologies.</p> <p>Undertaking of R&D on construction process and development of proprietary technologies.</p> <p>Explored more challenging engineering special-purpose facilities projects to strengthen the division's capabilities.</p>	<p>Through the focus on VDC and BIM systems, projects are now on a connected common data environment which allows all project stakeholders to work together seamlessly, leading to better productivity and efficiency for the division.</p>
NATURAL	<p>Management of resources consumed as well as continued efforts to reduce carbon footprint and waste.</p>	<p>Continued progress on all ESG KPIs and targets for energy efficiency, carbon reduction, waste and social indicators including OSH.</p> <p>Making in-roads on sustainable energy ventures with the commencement of the district cooling system project at Sunway South Quay.</p>
SOCIAL AND RELATIONSHIP	<p>Continued to increase focus on improving supply chain performance.</p> <p>Focused on worker welfare within operations as well as supply chains i.e. accommodation, healthcare, food and water, facilities and amenities as well as human rights.</p>	<p>100% supply chain compliance with the Group's Anti-Corruption and Bribery Policy.</p> <p>Zero accidents involving the community or general public.</p>
HUMAN	<p>Continued focus on talent management initiatives to attract, develop and retain a highly skilled workforce, notable development of staff competencies and emphasis on succession planning.</p> <p>Leveraging special-purpose project opportunities to upskill talents to newer and more specialised construction methodologies.</p>	<p>SunCon's staff are well-trained with VDC competencies to meet the demands of the projects during the year.</p> <p>Champion in the Construction sector at the Talentbank Graduates' Choice Awards 2022.</p>

Please see pages 76 to 79 for more detailed discussion on the Construction division.

PROPERTY INVESTMENT AND REIT



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Managing higher operating costs post removal of government COVID-19 subsidies and incentives and higher interest costs.</p> <p>Review of rental rates and offerings as retailers recovered post pandemic.</p> <p>Formulation of various initiatives to attract and retain tenants for commercial segments such as competitive rental packages and conversion of office spaces to co-working spaces.</p>	<p>Revenue and profitability for the division has recovered on the back of the reopening of the economic activities and the relaxation of pandemic restrictions compared to FY 2021.</p> <p>Secured Sunway XFarms as its new tenant in the building with a 37,000 sq ft commitment across three floors for its indoor urban farm, increasing the tower's occupancy rate to 27% in FY 2022.</p>
MANUFACTURED	<p>Executed Asset Enhancement Initiatives ("AEI") and Asset Management Initiatives ("AMIs") to create additional Net Lettable Area ("NLA") and improve tenant mix configuration.</p> <p>Actively pursued refurbishment / enhancement of older office buildings to retain competitiveness, rental rates and occupancy levels.</p> <p>Upgrading building M&E facilities to achieve Malaysia Digital Status for some of the office buildings.</p>	<p>Launch of The Link in Sunway Pyramid Mall and new wing of Sunway Carnival Mall to attract new tenants and drive higher retail footfalls.</p> <p>Launch of Corporate Suite@Level 19 at Sunway Resort Hotel which achieved full occupancy in FY 2022.</p> <p>Added approximately 46,000 sq ft in NLA at Sunway Pyramid Mall, slightly over 710,000 sq ft at Sunway Carnival Mall, and 30,000 sq ft at Sunway Resort Hotel.</p> <p>Stable / Improved average occupancy rates for both retail and office segments.</p>
INTELLECTUAL	<p>Recalibrating business model and approach to new consumer behaviours such as remote working, rise of online retail shopping and retail consumption.</p> <p>Adoption and enhancement of new technology such as Sunway Community Super App, Sunway eMall website to conduct business and enhance customers' customer experience.</p>	<p>Increased customer / tenant engagement through improved online sales performance.</p> <p>Enhanced virtual mall / retail experiences with promotional and marketing campaigns.</p>
NATURAL	<p>Continued to pursue energy, water and waste management efficiency for all the assets under management.</p> <p>Pursuit of Green building certification for properties.</p> <p>Installation of photovoltaic (PV) solar panel at properties.</p> <p>Launch of Sunway Green Lease Programme – implemented for retail and office tenants.</p>	<p>Various Green certifications have been obtained, across its managed properties.</p> <p>Sunway's malls are the first amongst the malls in Malaysia to incorporate a green clause as part of its Green Lease. Currently, 30% of its malls' tenants have committed to the Green Lease Programme.</p> <p> Read more of the Group's sustainability initiatives in the SR 2022 and on the Green Lease Programme on page 47 of this report.</p>
SOCIAL AND RELATIONSHIP	<p>Deepened ESG practices across the supply chain by forging collaboration with business partners.</p>	<p>Introduced over 110 tenants into Sunway's malls, including big names such as Don Don Donki, Crème-de-la-crème, Tea Garden and Xction Extreme Park.</p>
HUMAN	<p>Continued focus on talent management and recognition.</p>	<p>Celebrated 25th Silver Jubilee event with over 1,000 of its valued business partners to acknowledge and appreciate key stakeholders who have been instrumental in driving Sunway's malls' growth.</p> <p>Showed appreciation to its long-serving employees at the 25th Silver Jubilee celebration of Sunway's malls.</p>

Please see pages 80 to 83 for more detailed discussion on the Property Investment and REIT division.

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

LEISURE



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Prudent cost management in view of higher operating costs such as labour, utilities and interest.</p> <p>Managing rising staff costs and supply due to changes in government laws for remuneration and employment conditions.</p>	The Leisure division financial performance recovered significantly from the low base experienced in FY 2021 and FY 2020 due to the pandemic.
MANUFACTURED	Developed new facilities, events and attractions to increase visitorship. These include launch of Sunway Lagoon Night Park, more MICE events and mega roadshow.	Received 1.6 million visitors to the theme parks – 167% increase y-o-y, close to 60% of pre-COVID levels.
INTELLECTUAL	<p>Digital transformation initiatives to enhance internal productivity and customer satisfaction.</p> <p>Development of STP Studios, an in-house production house.</p> <p>Synergistic collaborations with Sunway companies.</p>	<p>Capitalising on the Sunway Super App to provide a one-stop customer platform.</p> <p>Debut of STP Studios, which increased online transactions and customer volume of engagements.</p> <p>Launch of STP Mega Roadshow together with other Sunway business divisions to promote the theme parks and also the other Sunway brands.</p>
NATURAL	Continued to pursue sustainability action plans to support the Group's sustainability ambitions.	<p>Launched SDG Walk Promenade in Sunway Lagoon to showcase the sustainability efforts made at the theme park.</p> <p>Sunway Lost World Of Tambun theme park's resident hippopotamuses, Jiwang and Juwita, celebrated the birth of their new baby hippo.</p> <p>Launch of Explorer Rangers programme – an outdoor educational membership programme for children aged 5 to 12 years old to learn about wildlife, science and sustainability, specially curated by a group of zoologists and educators from Sunway's theme parks.</p>
SOCIAL AND RELATIONSHIP	<p>Aggressive marketing and communications to reinforce safety of theme parks post pandemic.</p> <p>Initiation of strategic partnerships with reputable brands to support the launch of new experiences, and for retail and F&B outlets.</p>	<p>Launched Sunway Lagoon Night Park in collaboration with Malaysia's largest dairy manufacturer, Farm Fresh to develop the Wild West-themed night park.</p> <p>STP Studios helped to connect and engage with guests and stakeholders, and further enhance brand loyalty.</p> <p>Sunway Lagoon theme park is the first theme park in Asia to win the Community Initiative Award 2022 at the 2022 Asia Corporate Excellence and Sustainability (ACES) Awards.</p>
HUMAN	Pursue talent management to attract new and young talents to the division.	Use of STP studio to harness young talents to its theme park team.

Please see pages 84 to 87 for more detailed discussion on the Leisure division.

HOSPITALITY



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Cost management initiatives to address inflationary pressures and higher operational costs.</p> <p>Targeted local staycations and local government meetings, as well as intra-ASEAN travellers.</p> <p>Offered flexible group travel rates for volume room nights for foreign tour groups.</p>	<p>Improvements in cost efficiency as well as other financial indicators.</p> <p>Increased revenue contribution from the division's F&B segment and higher room take-ups from the MICE sector.</p>
MANUFACTURED	<p>Drive of higher occupancy via seamless channel management and dynamic hotel rates.</p> <p>Strong marketing campaigns to promote hotels' service offerings, focusing on wholesale leisure bookings, international tourist segments as well as higher domestic corporate and leisure contributions.</p> <p>Focused on the ongoing transformation of the hotel which included brand new rooms and suites and technology-driven customer experience solutions.</p>	<p>Increased average occupancy rate in FY 2022 of 50% compared to 24% in FY 2021.</p> <p>Opened Gordon Ramsay Bar & Grill in Sunway City Kuala Lumpur to elevate guests' experience.</p>
INTELLECTUAL	<p>Increased digital marketing efforts through Book Direct & Save web application.</p> <p>Implementation of smart technologies in hotel rooms.</p>	<p>Increase in internet booking engine sales allowing the division to save on commission cost.</p> <p>Implementation of contactless check-ins, keyless room entry and smart application for room amenities at selected hotels.</p>
NATURAL	<p>Adopted circular economy principles: reduction in resource use i.e. moving from one-off consumables to recyclable approaches.</p> <p>Implementation of tech upgrades such as advanced air-conditioning systems, smart curtains, solar panels and motion-sensor LED lighting, which serves to further improve energy efficiency.</p>	<p>Replacement of single-used hotel shampoo, conditioner and body gel with larger refillable bottles with pump dispenser and plastic water bottles with eco-friendly glass water bottles.</p> <p>Recycled over 12,000 kg of used cooking oil across the hotels.</p> <p>Converted most of paper-based HR / Finance processes to E-Processes, realising significant reduction in paper consumption and processing time.</p>
SOCIAL AND RELATIONSHIP	<p>Aggressive pitching for national & international MICE events and sought to build new markets to replace traditional geographical segments.</p> <p>Appointment of two new hotel representatives in Singapore and Dubai to promote Sunway hotels in regional and international markets.</p>	<p>Secured various notable domestic and international events such as World Islamic Conference and Muay Thai International Competition.</p> <p>Partnership with various agencies to promote Sunway's hotels.</p>
HUMAN	<p>Managing staffing challenges through use of foreign and temporary staff.</p> <p>Ensuring compliance with minimum wage order (i.e. 5-day work weeks, etc.)</p>	<p>Increased headcount to manage the work shifts.</p> <p>Improved employee satisfaction.</p>

Please see pages 88 to 91 for more detailed discussion on the Hospitality division.

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

TRADING AND MANUFACTURING



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Managing supply disruption risk by increasing inventory levels to ensure continued supply to meet demands.</p> <p>Adjustments to selling prices for certain products in tandem with rising cost factors.</p>	<p>Revenue and earnings stability despite rising costs.</p> <p>Continued growth in product demand and orders.</p> <p>Retained its reputation as a trusted business partner.</p>
MANUFACTURED	<p>Continued to expand product lines and distribution network to cater to demands.</p>	<p>Increased agency lines to 207 (2021: 200).</p>
INTELLECTUAL	<p>Continued to enhance the adoption of digitalisation across the business process and value chain to derive operational efficiencies.</p>	<p>The digital transformation initiatives executed during the COVID lockdown in 2020 continued to help improve the way to do business for the division.</p>
NATURAL	<p>Increased sourcing of more environmental-friendly industrial products to cater the niche market.</p>	<p>Introduction of BYD lithium-ion forklifts and Dongfeng EV pickup trucks and electric panel vans to the market.</p>
SOCIAL AND RELATIONSHIP	<p>Set up occupational safety and health (“OSH”) department at USJ 1 and Rawang warehouses.</p>	<p>Improved OSH track record and reduction in impact of lost time incidences on plant productivity levels.</p>
HUMAN	<p>Talent management continues to be prioritised in order to build better relationships and engage customers.</p> <p>Increased emphasis on OSH to ensure the well-being of employees.</p>	<p>Quality sales force to promote the products carried by the division.</p> <p>Enhanced safety consciousness amongst the division's staff and workers.</p>

Please see pages 92 to 93 for more detailed discussion on the Trading and Manufacturing division.

QUARRY



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
FINANCIAL	<p>Managing rising raw material costs and labour costs.</p>	<p>Higher revenue achieved on the back of higher sales volumes and selling prices of aggregates and premix.</p>
MANUFACTURED	<p>Explore new quarries in other regions in Peninsular Malaysia.</p> <p>Upgrade and improve existing crusher plants.</p> <p>Increase the quarry production capacity and market share through mergers and acquisitions.</p>	<p>Completed upgrading of existing crusher plant in Kuala Kangsar which is able to provide 30% additional production capacity.</p>
INTELLECTUAL	<p>Secured premix market leader position through new innovative products.</p> <p>Intensified R&D activities such as special design of premix.</p> <p>Developing a digital application system to improve process efficiency and facilitate standardisation.</p>	<p>Collaborated with various agencies to innovate and produce a special mix with higher durability.</p>
NATURAL	<p>Managing climate change impact on aggregate productions.</p> <p>Continued focus on being an efficient premix plant operator with the lowest CO² emission in Malaysia.</p> <p>Continue to support Group's sustainability ambitions.</p>	<p>Commitment towards environmental sustainability to rehabilitate quarry sites.</p> <p>Plans are in place to improve fuel oil consumption and exploring fuel oil substitutes.</p>
SOCIAL AND RELATIONSHIP	<p>Continued engaging with key stakeholders to understand and address industry challenges.</p>	<p>Collaborated with various agencies to innovate product mixes to meet the emerging demand for climate-resilient products and support the Group's ESG ambitions.</p>
HUMAN	<p>Attracting and retaining younger talents in the industry.</p> <p>Focused on upgrading plant productivity to address labour shortages.</p>	<p>To ensure a pipeline of talents for the division.</p> <p>Increased plant efficiency and reduced dependence on labour.</p>

Please see pages 94 to 95 for more detailed discussion on the Quarry division.

STRATEGIC SNAPSHOTS OF OUR BUSINESS DIVISIONS

BUILDING MATERIALS



CAPITALS	STRATEGIES IMPLEMENTED	VALUES CREATED AS AT FY 2022
<p>FINANCIAL</p>	<p>Focused on cost reduction and product differentiation to operate efficiently.</p> <p>Effective cash flow management on working capital requirements.</p> <p>Ability to tap and synergise knowledge base and resources within Sunway Group to improve networking, efficiency and process improvement.</p>	<p>Quick recovery from the effects of COVID-19 pandemic with improved revenues and earnings performance.</p> <p>Reduced average debt collection period and minimised risk of bad debts.</p>
<p>MANUFACTURED</p>	<p>Continued investment into research & development and technology adoption to strengthen manufacturing capabilities and efficiency.</p>	<p>Offering ICP products in line with the new MS EN1338:2022 provided by <i>JKR Arahan Teknik / Spesifikasi Jalan</i> in FY 2022, while the VCP plant was granted a new specification in Malaysia MS 1061-1:2022 and also certified by TÜV SÜD EN295:2013.</p>
<p>INTELLECTUAL</p>	<p>Higher emphasis on R&D to enable product differentiation and improve product integrity.</p> <p>Utilisation of supplementary materials in its production of spun piles ("SSP").</p>	<p>New proprietary ICP designs launched – Hexalock and Primelock with better interlocking properties and a new Ezypave design.</p>
<p>NATURAL</p>	<p>Embarked on various initiatives on carbon reduction via research and development, waste management and process improvement.</p> <p>Implementation of ISO 45001:2018 across operations.</p>	<p>Batang Kali and Senai plants are ISO 45001:2018 certified.</p> <p>Reduced cement consumption for ICP and SSP production by utilising supplementary materials in its production.</p>
<p>SOCIAL AND RELATIONSHIP</p>	<p>Increased engagement with key stakeholders such as government authorities, suppliers and customers.</p>	<p>Improved ability to stay abreast with customers' needs as well as current market trend to better plan operations and inventory needs.</p>
<p>HUMAN</p>	<p>Implementation of digitalisation initiatives and collaborative work tools to improve communication and information sharing.</p>	<p>Improved work collaboration and productivity as well as faster decision making among staff with the use of collaborative tools as well as ESSA initiatives.</p> <p>The Malaysian Building Materials division scored the highest of all Business Divisions on the internal employee engagement Kincentric Survey for 2022.</p>

Please see pages 96 to 97 for more detailed discussion on the Building Materials division.

LEVERAGING EMERGING OPPORTUNITIES

COST AND OPERATIONAL EFFICIENCY THROUGH CIRCULAR ECONOMY APPLICATION

Across the Group, the prolonged (and ongoing) disruptions in global and domestic supply chain disruptions has and continues to affect the availability and pricing of resources and raw materials. This has necessitated the prioritisation of resource and production efficiency through business process reengineering and value engineering.

Across all business divisions, a continuous process to identify opportunities for cost and resource savings is being intensified.

All the business divisions are to analyse their production value chain from source to final production and where relevant, distribution of products to identify improvement opportunities. This approach remains in force and has led to significant efficiencies.

PURSUING SUSTAINABILITY PROGRAMMES AND INITIATIVES

In FY 2022, the Property Investment and REIT division launched the Sunway Green Lease Partnership Programme. Under the programme, retail and office tenants are required to fulfil certain criteria regarding environmental performance.

The launch of the Green Lease Partnership Programme is a strategy of leveraging natural and social and relationship capitals to create both financial and non-financial values.

GREEN LEASE PARTNERSHIP PROGRAMME

Moving beyond reduction of Scope 1 and 2 emissions, which are generally within the control of an organisation, the implementation of the Green Lease Partnership Programme is the latest initiative to engage with its stakeholders and promote the reduction of Scope 3 emissions. Scope 3 emissions are the result of activities not controlled by the organisation but by organisations in its value chain such as suppliers or customers.

The retail malls and offices within our Property Investment and REIT division as well as the Hospitality division have participated in this programme. The programme aims to encourage best international practices in sustainability and drive sustainable solutions through behavioural change, while boosting Malaysia's commitment to net zero carbon emissions by 2050. Other benefits for Sunway include a reduction in the building's overall management cost, added value as green buildings and increased appeal for ESG-oriented investors. Thus, it is crucial to the success of our net zero journey that we recruit and partner with our tenants to collaborate and finds ways to reduce our environmental footprint and promote responsible resource management.

In 2022, the programme garnered the participation of



The tenants have signed a memorandum of understanding (MoU) and are committed to working closely with us to improve building energy efficiency, water-saving measures and diversion of waste from landfill towards a circular economy. We target to have 100% tenant participation, with more than 1,300 tenants on board the Green Lease Partnership Programme by 2030.

LEVERAGING EMERGING OPPORTUNITIES

LEVERAGING EMERGING OPPORTUNITIES

NEW BUSINESS MODELS AND OPPORTUNITIES

A changing world requires new solutions. New solutions for sustainable energy, waste management, urban transportation and more. Alternatives for traditional resources, including alternative building materials and many other possibilities are now moving to the forefront as preferred choices. The onus is for businesses to seize these opportunities, invest the required resources to develop commercially viable propositions and be quick to move to market.

SUSTAINABLE URBAN FARMING



NATURAL VALUES CREATED

- 90% less water consumed as compared to conventional farming methods.
- No pesticide pollution, soil degradation, deforestation, water source contamination or heavy land usage.
- Sustainably packed.

MANUFACTURED VALUES CREATED

- Remodels unutilised urban spaces into productive green spaces.
- Reduced crop wastage due to technologically controlled environment.
- Produces up to 10 times more yield per sq ft as compared to conventional farming.
- 150 varieties of produce planted.

SOCIAL AND RELATIONSHIP VALUES CREATED

- Contributes to the food security of local communities.
- Meets society's growing preference for organically farmed food.

Through decentralised, sustainable smart farms, Sunway XFarms cultivates fresh, safe and nutritious produce in urban settings.

Sunway XFarms' cloud-based proprietary farm control management system, FutureOS (which leverages smart Internet of Things (IoT) & precision farming technology), enables real-time monitoring and feedback on crop growth, nutrient levels and environmental conditions. Smart IoT sensors and cameras enable live analysis and information dissemination to farm managers while enabling a safer and controlled environment.

The technology-driven approach enables a more effective method to crop management, reducing human error, late detection as well as unpredictable climate and overproduction issues. It also supports more informed decision making with regard to planting planning, system design and crops distribution.

Consistent with the farm-to-fork concept, produce is delivered to nearby restaurants and eateries within five hours of harvest. This has a lower carbon footprint as food need not be transported over long distances. All of the farms under Sunway XFarms are located within urban communities.

The Sunway XFarms model is game-changing as it redefines the urban farming model, attesting to its viability towards ultimately contributing to the nation's goal of food security. In addition, the model enables agronomists to receive full compensation for their work while building resilient local food economies. It also creates jobs and entrepreneurship opportunities for youths, potentially providing a solution to the chronic issue of youth unemployment.

Sunway XFarms' latest indoor vertical farm is located at Sunway Towers, spanning 37,000 sq ft across three floors, is expected to yield at least 13,000 kilogrammes of fresh and pesticide-free vegetables monthly.

INVESTING INTO INTELLECTUAL CAPITALS

Notably, through the implementation of new technologies such as blockchain, artificial intelligence, IoT, Big Data, Federated Learning and more, it is highly feasible to envision and realise paradigm shifts in businesses.

Such innovation can become the intellectual property of Sunway. The significance of this approach is evident when considering that Malaysia for the most part, remains a consumer, rather than producer of technology. To evolve from a follower into a technological creator and leader, investing into intellectual capitals is necessary, especially in maintaining a competitive edge in a globalised, competitive world.

Beyond just existing processes, technology will be used to develop new business and create new business possibilities. This includes enhancing the thriving township concept. The utilisation of technology offers several advantages, but also carries inherent risks and may require substantial upfront investments and recurring costs.

DIGITALISING OUR VALUE CHAIN

Collaboration Tools

The implementation of Office 365 has enabled Sunway employees to work collaboratively and virtually. Tools such as Microsoft Teams, SharePoint and Outlook help Sunway employees to stay connected, enhance productivity and innovate. Additionally, the utilisation of such digital spaces reduces the need for printing, thus cutting down on wastage and environmental pollution.

Sunway XFarms

An urban agricultural initiative that uses soil-less smart farming systems to grow fresh produce that is pesticide-free. The fresh produce is packed in sustainable packaging and grown in decentralised urban farms equipped with smart Internet of Things (IoT) and proprietary precision farming technologies. XFarms' mission is to scale and operate sustainable farms that are close to consumers to reduce carbon footprint, food wastage and loss of nutrition due to complex food logistics. We have expanded the urban farms to Sunway Pyramid Mall and Sunway Tower.

Self Check-in Kiosk

Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Big Box Hotel introduced self check-in kiosks, allowing swift check-ins and check-outs to be performed without the usual queues at the reception counters. The kiosks also support e-payment, which is in line with the hospitality division's vision of becoming a technology-enabled hospitality provider.

Internet of Toilet

Developed with the IoT system to improve users' comfort and convenience, the system reduces downtime by notifying cleaners about issues requiring urgent attention (e.g. faulty equipment, cleanliness and materials replenishment).

Sunway Smart Parking System

The launch of the Sunway Smart Parking System in 2019 provides a cashless and ticketless parking experience within Sunway's premises in Sunway City Kuala Lumpur.

Customers are provided with various digital payment options to pay their parking tickets. These include mobile payment, the Sunway Super App, Touch 'n Go card or cash / card payment at Licence Plate Recognition (LPR) autopay stations.

In 2022, a total of **6.8 million** pieces of parking tickets were avoided.



In 2022



1,122,960 food miles saved (equivalent to 1,807,229 km)



>25,000 plastics prevented



>22,000 kg vegetables grown without pesticides

LEVERAGING EMERGING OPPORTUNITIES

LEVERAGING EMERGING OPPORTUNITIES

INVESTING INTO INTELLECTUAL CAPITALS

REDEFINING BOUNDARIES THROUGH VIRTUAL DESIGN AND CONSTRUCTION (“VDC”)

VDC is an advanced digital project management tool used by SunCon. VDC offers an integrated approach in design, construction and facility management using software information models throughout the project lifecycle.

In essence, the technology enables the exchange of information and facilitates upfront collaboration throughout the entire construction process. This effectively allows for design, schedule as well as cost data and information to be integrated at all phases. All aspects can be digitally simulated prior to the commencement of physical construction.

VDC in particular, has strengthened SunCon’s 3D, 4D & 5D field implementation capabilities. This translates into reduced conflicts in design, faster decision making and more importantly, reduced errors and accelerated project lifecycle which eventually translate into cost optimisation.



7% reduction in resource consumption	28% reduction in time spent on production of drawings	1,968 BIM models produced	5,903 BIM shop drawings produced	5,897 BIM clashes / discrepancies	425 staff trained and developed with VDC competencies in year 2022 (2021:142)
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TALENT MANAGEMENT

Across all business divisions, there is an increased, strategic focus on human capital, that is the acquisition, retention and development of the workforce, as well as staff morale and satisfaction.

In Malaysia, talent scarcity is a perennial challenge, which continues to affect operational productivity, as well as the growth and development plans of companies. Operational costs are also impacted as companies pay a premium to acquire and retain talent amidst a market shortage.

Sunway strives to attract, develop, motivate and retain high-performing employees to build a sustainable competitive advantage and drive performance through integrated people management practices. The Group continues to invest in its internal talent pipeline – developing its pool of employees by providing increased opportunities for professional development and to fast track their career progression up the corporate ladder.

Average Training Hours*

Per Employee **40.2**

By Employee Category



By Gender



* Excludes Non-Executives

Please refer to our SR 2022 for more information on the Group’s Employee Engagement strategies.

JOINT VENTURES AND COLLABORATIONS

The present BOO Model enables a wide range of synergistic opportunities, and this distinctive edge continues to be enhanced through technology and innovation. The ability to harness various business and operational synergies between business divisions is one of Sunway’s unique competitive advantages.

Ultimately, synergies support a more robust value creation model as well as other strategic benefits such as faster time to market, reduced business costs, more competitive value propositions and also in retaining revenues within the Group.

Presently, all business divisions continue to leverage the capabilities of each other in the following areas: access to markets, capital and customers, technological expertise and know-how, talent resources and access to financial capital.

LEISURE – ENHANCED VALUE PROPOSITION

Sunway Lagoon Theme Park and Malaysia’s largest dairy manufacturer, Farm Fresh entered into a joint venture to develop the new Wild Wild West-themed Night Park, featuring Farm Fresh’s mini cow barn.



This collaboration combines the core strengths of Sunway Lagoon’s multi-faceted entertainment elements with Farm Fresh’s advanced educational components for a revolutionised concept of learning and entertainment.

OVERSEAS EXPANSION

The Group continues to explore ways to expand its business presence across Southeast Asia and beyond. The goal is to develop a diverse geographical network for the business divisions to grow its income streams and to diversify into new markets.

While some of the business divisions have already established international operations in various countries such as China, India and Singapore, the divisions will also look towards new emerging markets such as Vietnam and Indonesia.

Specific expansion plans of individual business divisions are provided in the Management Discussion and Analysis section as well as the Strategic Snapshots of the respective business division.

OUR VALUE CREATION MODEL

OUR VALUE CREATION MODEL

In a world with finite resources, the Group allocates its resources to optimise value creation (i.e. innovating, producing and delivering products and services to the market) and value appropriation (measured by return on capital employed) by strategic prioritisations and tradeoffs. While the primary purpose of every business is to maximise profit, value creation is fundamental to support a profitable and sustainable business.

The value of the business is defined by our stakeholders, such as our community, customers, investors, suppliers and employees. The Group strives to optimise value and returns to stakeholders by taking a long-term view of value creation practices and implications.

Value creation is a set of behaviours and practices that leads to superior results in an organisation. By identifying the value that our Company aims to create and the corresponding tradeoffs, we will continue to identify existing ineffective practices / shortcomings and implement improvements, optimise activities to maximise output and minimise operational costs to create cost advantages in the market.

STRATEGY

- Exploring mergers and acquisitions opportunities and overseas expansion
- Improving cost management and enhancing operational efficiency
- Talent management and development
- Optimising innovation and technologies to accelerate growth
- Maximising value and synergy from the Sunway brand and increased harnessing of business and operational synergy
- Increased focus on sustainability and smart cities
- Advancing sustainability

INPUTS

FINANCIAL

Beginning of FY 2022:

- Shareholders' Funds: **RM12.0 billion**
- Cash and cash equivalents: **RM2.8 billion**
- Total assets: **RM25.1 billion**

MANUFACTURED

- 4 integrated townships:** Sunway City Kuala Lumpur, Sunway City Ipoh, Sunway City Iskandar Puteri and Sunway Velocity
- Assets under management with a total net lettable area of approximately **12.5 million square feet**, in excess of **RM11.8 billion**, from the Property Investment and REIT divisions
- Industrial factories and machinery
- Remaining landbank: **3,292 acres**
- Diversified business sectors

NATURAL

- Energy and water efficiency projects to minimise wastage
- Responsible water and waste management practices to minimise pollution
- Energy consumption from renewable sources: **9,743 MWh**
- Volume of water recycled and treated at our water treatment plant: **>1.38 million m³**

HUMAN

- Total employees: **11,388 employees**
- Total new hires*: **4,511 employees**
- Average learning hours per employee: **40.2 hours**

SOCIAL AND RELATIONSHIP

- Regular engagement with our stakeholders
- Commitment to working with ethical suppliers
- > RM6.29 million** in community investment

INTELLECTUAL

- Group data consolidation using predictive analytics to identify customer needs
- Multi-cloud infrastructure
- Strong commitment to cybersecurity and data protection

* New hires include internal transfers.

VISION

To be Asia's model corporation in sustainable development; innovating to enrich lives for a better tomorrow

- MISSION**
- Attracting and Nurturing a talented and progressive workforce for the digital era
 - Empowering Our People to deliver enhanced value to all stakeholders
 - Embracing Sustainability in our business processes and decisions

- CORE VALUES**
- INTEGRITY
 - HUMILITY
 - EXCELLENCE

- OUR BUSINESS STRENGTHS**
- Strong leadership
 - Proven expertise and track record
 - Good marketplace practices and corporate governance
 - Diversified and integrated business Group
 - International presence
 - Strong recurring income
 - Strong asset and financial base
 - Highly experienced professional talent
 - Sustainability at the core



BUILD AND MANAGE BUILD, OWN, OPERATE

REVENUE MODEL: Recurring Income

Yield optimisation through creation of space and asset enhancement initiatives. Management of assets to drive operational yield for hospitality, leisure, retail, commercial, healthcare and industrial components, with potential for future REIT injection.

BUILD FOR OTHERS

REVENUE MODEL: Project Management and Construction Income

- Integrated design and construction services contracts, i.e. roads, bridges, rails, etc., for external customers.
- Providing construction support for the Property Development division and undertaking design and build of Group's investment properties.

BUILD TO SELL

REVENUE MODEL: One-off sales of assets and recurring income from selected assets retained by the Group to support a sustainable community / township

Maximisation of land value through strategic landbanking, master planning and development to balance growth, cash flow and management of inventory.

STRATEGICALLY SUPPORTED BY ADJACENT BUSINESSES

REVENUE MODEL: Sales to Group Divisions and External Customers

Provision of raw materials, machinery, equipment and technical knowledge and undertaking R&D in support of infrastructure development.

OUTPUTS

- Revenue (from continuing operations): **RM5.2 billion**
- Profit before tax (from continuing operations): **RM920.1 million**
- Gross Development Value: **RM58.9 billion**
- Property sales: **RM2.0 billion**
- Acquired prime leasehold land in FY 2022 with a land size of **5.5 acres** with potential GDV of approximately **RM1.2 billion**
- Avoided **7,810** tonnes of CO₂e
- All our buildings have implemented water crisis SOPs
- Diverted **4%** of waste from landfills
- Employee retention rate: **78.2%**
- Zero confirmed cases of non-compliance among our suppliers
- Total beneficiaries from our community enrichment initiatives: **>85,860**
- Achieved good customer satisfaction scores
- Sunway Digital Hub is certified with the ISO 27001:2013 international standard and is focused on the Information Security Management System

OUTCOMES

- Long-term sustainable value to shareholders
- Profitability and business growth
- Continuous enrichment of existing townships and developing townships
- Delivered goods such as building materials and properties
- Contributed to the service industry
- Contributed to national economic development
- Mitigated negative environmental impacts through responsible resource management
- Catalysed the shift towards decarbonisation
- Attracted and retained talented and diverse workforce
- High-performing workforce and delivery excellence
- Job creation
- Green and responsible procurement
- Enriched and empowered underprivileged communities, especially the B40 group
- Contributed to the nation's efforts in navigating challenges from the pandemic
- Accelerated digitalisation
- Provided quality customer experience
- Enhanced efficiency of workflow and business applications
- Established a resilient modus operandi that can withstand crises

TRADEOFFS

There are opportunity costs where tradeoffs are required. We allocated financial capital to other non-financial capitals to produce balanced outcomes in non-financial capitals that create multiplier effects in both extrinsic and intrinsic value to our stakeholders. In 2022, we continued to invest in an environment where our employees can thrive without neglecting their welfare, to improve workforce retention and productivity. We also financed our employees' learning and development needs to further develop the Company's intellectual capital in order to deliver excellence in our products and services. As a result of our investment in clean technology such as solar panels and a water treatment plant, we are also one step closer to responsible resource management and waste reduction.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Key Messages

The Group's revenue and profit before tax for FY 2022 surpassed that of the pre-pandemic period

Sunway named Brand of the year at Putra Brand Awards 2022

Sunway has begun its transformation journey to accelerate its growth trajectory until 2030



TAN SRI DATO' SERI DR. JEFFREY CHEAH FOOK LING AO
Executive Chairman

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors, I am pleased to present Sunway Berhad's Integrated Annual Report for the financial year ended 31 December 2022 ("FY 2022"). After more than two years of difficult times that had a significant negative impact on people's lives and livelihoods, a return to some semblance of normalcy was greatly appreciated. We forged ahead with our vision of becoming Asia's model corporation in sustainable development; innovating to enrich lives for a better tomorrow. Driven by the principle of "Doing Well by Doing Good", Sunway is strengthening our commitment to the sustainable development agenda. I am delighted to inform you that Sunway has emerged from the pandemic better and stronger as a Group.

Setting the Growth Trajectory

The pandemic's aftermath lingered as the economy transitioned into the endemic phase in 2022. Heightened geopolitical tensions have sparked supply-chain disruptions and rising inflation. The supply-chain disruption was exacerbated further by the lockdown in China for the most part of the year. The low-interest rate regime came to an end when monetary policymakers raised the interest rate to combat inflationary pressure. It is encouraging to note that inflation in major economies has peaked and is beginning to ease as a result of the hawkish monetary policy tightening. However, the impact of rising interest rates would nevertheless slow down global economic growth.

Sunway was able to navigate these headwinds due to our solid foundation, management strength, and track record. When the nation transitioned into the endemic phase, key strategies implemented during the pandemic such as cost containment, efficiency and productivity improvement continued to bear fruit. I am pleased to report that the Group's financial performance for FY 2022 has surpassed that of the pre-pandemic period.

To further sustain the Group's financial performance going forward, Sunway has introduced a "Leadership Competencies & Talent Programme" to identify, foster and nurture our human capital in order to ensure that Sunway keeps pace with the times. This programme is geared towards winning the war for talent, which is the biggest concern that keeps me awake at night.

Another programme to facilitate our transformation journey is the digitalisation process which we are accelerating due to the rapid advancement of technology. I am also delighted to share that our brand presence is becoming much stronger and Sunway, today, is regarded as one of the most trusted brands in Malaysia and the wider region, as reflected in Sunway being awarded Putra Brand of the year by Malaysians in the annual surveys conducted by the Association of Accredited Advertising Agents Malaysia ("4As") in association with Malaysia's Most Valuable Brands ("MMVB").



Sunway was awarded Putra Brand of the Year

Please see pages 58 to 62 for the President's Statement.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

Conglomerate with a Conscience

Sunway was founded close to five decades ago with a vision of creating a better tomorrow. Almost half a century later, that dream has been transformed into flourishing townships that have sown seeds of sustainability throughout the country and beyond.

Today, Sunway is more than a leading conglomerate in Malaysia. The Group has grown from strength to strength, and it now serves as a microcosm of the Malaysian economy. Our Group's vision, which is deeply rooted in our core values of Integrity, Humility, and Excellence, is to become Asia's model corporation in sustainable development, innovating to enrich lives for a better tomorrow.

Driven by the principle of "Doing Well by Doing Good", Sunway is now a model corporate citizen committed to the "Three P" bottom line of People, Planet, and Prosperity. Our commitment to the sustainability agenda is encapsulated by our full embrace of the 17 Sustainable Development Goals ("SDGs") adopted by the United Nations in 2015. We have integrated the 17 SDGs into all of our business practices and decision-making processes.

As a recognised regional leader in advancing the sustainability agenda, we have expanded our commitment by not only changing our culture from within but also bringing along all our stakeholders on this journey. The Group includes all of our stakeholders – such as our vendors, suppliers, and contractors to collaborate with us in accomplishing our sustainability goal. As an example, we have in the past year committed Sunway to reduce the Group's carbon emissions by half by 2030 and to achieve net-zero carbon emissions by 2050.

Sunway is one of the first conglomerate in Asia to implement a robust carbon pricing framework. Divisions that fail to meet their targets will be penalised by having a portion deducted from their bonus pool. By doing so, the Group hopes to send a clear message that each division needs to start innovating in order to find solutions to cut carbon emissions.

We also recently launched the Sunway Green Lease Partnership Programme as part of our efforts to reduce Scope 3 emissions. While the details are still being developed, we have already gained support from the tenants in all of our premises for this pioneering effort.

Our commitment and contribution to sustainability, as well as our leadership on this issue, distinguishes us from our peers in the region and distinctive the Sunway brand as an aspirational company. This also helps us in winning the war for talent given the values that the younger generation of today is increasingly adopting.

Pioneering Sustainability Achievements

Sunway City Kuala Lumpur is Malaysia's 1st fully-integrated green township

Sunway is 1st PLC in Malaysia to introduce its internal Carbon Pricing Framework

Sunway is the 1st in Malaysia to launch a Green Lease Partnership Programme

In Pursuit of Excellence

Our pursuit of excellence was recognised by prestigious awarding organisations. Sunway was bestowed with numerous awards in FY 2022. I am humbled to be named Putra Brand Personality of the Year at the Putra Brand Awards 2022.

Distinguished Awards and Recognitions in 2022

<p>Putra Brand Awards 2022</p> <ul style="list-style-type: none"> Putra Brand Personality of the Year – Tan Sri Dr. Jeffrey Cheah AO Putra Brand of the Year Award 	<p>Deloitte's Malaysia Best Managed Companies 2022 Awards</p> <ul style="list-style-type: none"> 2022 Malaysia Best Managed Companies 2022 – Real Estate, Education, Retail, Healthcare, Hospitality industry sector – Sunway Group
<p>The Edge Billion Ringgit Club Awards 2022</p> <ul style="list-style-type: none"> "Highest Growth in Profit After Tax over Three Years" in the Industrial Products & Services Sector 	<p>The Edge ESG Awards 2022</p> <ul style="list-style-type: none"> Long-Term Achiever Industrial Products and Services category – Silver
	<p>Asiamoney Asia's Outstanding Companies Poll 2022</p> <ul style="list-style-type: none"> Most Outstanding Company in Malaysia – Real Estate Sector

Appreciation and Acknowledgements

On behalf of the Board of Directors, I would like to express my heartfelt appreciation to our employees. Your passion, dedication and tenacity are the driving force behind the Group's success. My sincere gratitude to my fellow members of the Board for your stewardship in assuring the highest standards of governance, oversight and direction on strategic matters that are essential to the Group.

I take this opportunity to express my sincere appreciation to Tan Sri Dato' Dr. Lin See Yan, who will retire as Independent Non-Executive Director at the coming Annual General Meeting for his invaluable contribution. On behalf of the Board of Directors, I wish him all the best in his future endeavours.


To all our stakeholders, I thank you for your confidence and trust. We look forward to continuing the mutually rewarding relationship as we pursue our journey towards progressive growth.


TAN SRI DATO' SERI DR. JEFFREY CHEAH FOOK LING AO
EXECUTIVE CHAIRMAN


PRESIDENT'S STATEMENT

PRESIDENT'S STATEMENT

Highlights for FY 2022

Revenue from Continuing Operations
 **RM5,194.9 million**
 ↑ 39.7%
 FY 2021: RM3,717.3 million

Profit Before Tax from Continuing Operations
 **RM920.1 million**
 ↑ 98.3%
 FY 2021: RM463.9 million

Total Dividend
 **5.50 sen**
 per ordinary share
 ↑ 120.0%
 FY 2021: 2.50 sen per ordinary share



TAN SRI DATO' (DR.) CHEW CHEE KIN
 President

DEAR VALUED STAKEHOLDERS,

The year 2022 was filled with renewed optimism as the country moved towards a sense of normalcy and the economy showed signs of healthy growth. However, the global economy was still impacted by supply chain bottlenecks, soaring inflation, and interest rate hikes. There were signs of inflation peaking toward the end of 2022 and thereby allowing the Federal Reserve to slow down its monetary tightening policies. Notwithstanding the headwinds, the Group's revenue and profit before tax for FY 2022 surpassed that of the pre-pandemic period.

Progressing Sustainably

The financial year ended 31 December 2022 ("FY 2022") presented opportunities and challenges for the diverse business divisions of Sunway Berhad. The easing of containment measures under the National Recovery Plan ("NRP") in the final quarter of 2021 heralded a rebound in business confidence in FY 2022. The normalisation of business and leisure activities following the country's transition to the endemic phase further improved business confidence and consumer sentiments. The recovery pace was unfortunately hampered by the lingering impacts of the pandemic and China's prolonged lockdown, which disrupted the world's supply chain. This has resulted in higher raw material prices and transportation costs for most businesses.

In line with global monetary tightening measures, Malaysia's Overnight Policy Rate ("OPR") was raised progressively from 1.75% in March 2022 to 2.75% in November 2022. Notwithstanding the higher interest rates environment, the Group's Property Development division remained resilient supported by stable take-up rates. The Property Development division achieved RM2.0 billion in sales for the year, mainly contributed by new property launches and ongoing projects in Malaysia and Singapore.

In spite of the pandemic, the Healthcare division experienced a steady increase in patient volumes. The launch of Sunway Medical Centre Penang at Seberang Jaya was very well received as it brings world-class tertiary healthcare services to the under-served northern region of Peninsular Malaysia. Sunway Healthcare Group's annual revenue increased by 30% in FY 2022, surpassing the RM1 billion milestone for the first time.

The easing of travel restrictions has led to strong demand for domestic tourism, which has benefited the Leisure and Hospitality divisions. Visitorship to Sunway's retail malls, theme parks, and hotels have increased significantly. The financial performance of the Property Investment and REIT, Leisure and Hospitality divisions improved substantially, owing to sustained domestic spending and the restored confidence in global travels.



Sunway Medical Centre Penang

PRESIDENT'S STATEMENT

PRESIDENT'S STATEMENT

The Construction division made significant progress towards replenishing its new order book for FY 2022, exceeding its target by 30% at RM2.6 billion. The division achieved three significant milestones during the year and further fortified its position as a prominent player in the country. The division successfully secured a RM1.7 billion General Contractor Services Contract for a hyperscale data centre located in Sedenak Tech Park in Johor. On the regional front, the division has entered into an EPC agreement with Song Hau 2 Power Company Limited for a 2,120MW coal-fired power plant in Vietnam for USD2.42 billion. In Singapore, the division has completed and commissioned its Integrated Construction and Prefabrication Hub ("ICPH") to cater to the robust demand for precast components for HDB projects. The outstanding order book of RM5.3 billion as at 31 December 2022 will provide earnings visibility to the division for the next two years.

For the financial year ended 31 December 2022, the Board declared a higher dividend of 5.50 sen per ordinary share, compared to 2.50 sen per ordinary share in the preceding financial year. The dividend payout was equivalent to 32% of core profit after tax and minority interest ("PATMI") and exceeded the dividend payout guidance of 20% of core PATMI. In addition, the Group also declared a preferential dividend of 5.25% per annum based on the issue price of RM1.00 irredeemable convertible preference shares ("ICPS") for the period from 1 January 2022 to 31 December 2022.

Adapting to the Changing Trend and Transforming to Accelerate Growth

Sunway has grown from strength to strength for almost five decades. Sunway is now regarded as one of Southeast Asia's premier corporations due to its remarkable track record. Today, the rapidly changing business landscape and technology acceleration have driven Sunway to begin its transformation journey to chart its roadmap until 2030.

The Group recorded revenue of RM5,194.9 million and profit before tax ("PBT") of RM920.1 million from Continuing Operations for FY 2022, compared to revenue of RM3,717.3 million and PBT of RM463.9 million in FY 2021, representing an increase in revenue and PBT of 39.7% and 98.3% respectively.

Our Digitalisation Transformation

The Group continues to strengthen synergy between various divisions, leveraging its information technology capabilities and shared resources. Sunway launched Sunway Super App, a one-stop mobile application capitalising on Sunway's extensive ecosystem by maximising the integration of big data and synergistic business opportunity across divisions. The Super App offers its users products and services across Sunway's business divisions as well as access to more than 1,500 of Sunway's business partners and retail merchants.

New digital platforms and web-based functionalities were introduced across the business divisions to enhance customer service levels such as reducing hospital appointment waiting time, improving customer experience during transactions, and allowing us to better respond to shifts in consumer behaviour. The implementation of technological advancements also helped us gain process efficiencies in our business processes to manage rising operational costs and still remain competitive.



Sustaining Growth Momentum Amidst Tepid Outlook

Looking to the year ahead, the global economy is still plagued with uncertainties. Global growth is anticipated to moderate in 2023 as elevated inflation and tighter monetary policy in the past year have weighed down consumption and investment activities. On the positive side, China's decision to reopen its economy in January 2023 is expected to ease supply chain disruptions, improve global trade and boost tourism activities.

The Malaysian economy is projected to expand albeit at a slower pace of 4.0% to 5.0% in 2023. Domestic demand remains the anchor of growth for the economy while external trade is expected to moderate in line with slower global growth. Recovery in inbound tourism will provide further upside to Malaysia's economic growth.

Bank Negara Malaysia ("BNM") projected headline inflation to average between 2.8% and 3.8% in 2023. According to BNM, monetary policy in 2023 would be focused on managing inflation risks while supporting sustainable economic growth.



PRESIDENT'S STATEMENT

MANAGEMENT DISCUSSION AND ANALYSIS



Sunway Medical Centre Sunway City Kuala Lumpur


Although Malaysian economic growth is expected to moderate in 2023, the Group is cautiously optimistic that it can sustain its growth momentum going forward. The Group expects its leisure, hospitality, and healthcare businesses to continue to benefit from the improving inbound leisure and medical-related tourism activities especially with the reopening of China's international borders which will further boost tourist arrivals.

Government's incentives towards promoting first-time home purchasers and affordable housing bode well to support property sales for the Property Development division in the coming year. The Property Development division targets property sales of RM2.3 billion in 2023 with a robust RM3.5 billion worth of property development projects in the pipeline for launch across Malaysia, Singapore and China.

The outlook for the Group's Healthcare division remains promising, with the newly opened and existing medical facilities receiving healthy demand for world-class healthcare services. The reopening of international borders also heralds a return in medical-related tourism, which will further boost the performance of the division. The division continues to pursue its expansion plans in 2023, ensuring the construction of new hospitals are on track. This year, the division looks forward to unveil its new block at Sunway Medical Centre Sunway City and also its senior living residences, Sunway Sanctuary.

The Leisure and Hospitality divisions, are expected to continue their upward trajectory in 2023, fuelled by the reopening of international borders. The Group's innovative cross-divisional marketing strategies will continue to be employed to attract consumers' recreational demand to our assets while we continue to innovate our leisure offerings and ramp up collaborations and digitalisation adoption to maintain the division's growth momentum.

The Group continues to invest in our people by providing training and development opportunities to ensure the retention of well-rounded and sustainability-minded high-performers. Intellectual capital development will also be prioritised, particularly through the implementation of new technologies such as artificial intelligence, Internet of Things, Big Data, Federated Learning and more, leveraging digitalisation and R&D to propel the Group ahead of paradigm shifts in its diverse businesses.

 Please see pages 68 to 97 for the divisions' operational updates in the Management Discussion and Analysis.

Appreciation

On behalf of the Management team, I would like to express my sincere appreciation to all our stakeholders – our Board of Directors, business partners, shareholders, regulators, and governing bodies for their unwavering support through the year. My heartfelt thanks also go out to my fellow Sunwayians for your passion, commitment, and dedication to pursue our shared aspirations together. I look forward to another progressive year with you.

TAN SRI DATO' (DR.) CHEW CHEE KIN
PRESIDENT

FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE

The Group recorded revenue of RM5,194.9 million and profit before tax of RM920.1 million in FY 2022 from Continuing Operations, compared to a revenue of RM3,717.3 million and profit before tax of RM463.9 million in FY 2021. Revenue was 39.7% higher in the year under review due to increased contributions from all business segments, which contributed to the Group's significantly improved performance. As a result, profit before tax in FY 2022 was 98.3% higher than in FY 2021, with higher profit contributions from all the business segments except the Others segment.

It should be noted that with effect from 1 January 2022, the Group only recognised its net share of results in the Healthcare division under Continuing Operations based on the equity method of accounting. In FY 2021, the financial results of the Healthcare division were presented separately under Discontinuing Operations in accordance with MFRS 5: *Non-current Assets Held for Sale and Discontinued Operations*, following the completion of the initial closing conditions of the partial divestment of Sunway Healthcare Group in December 2021.

During the year, Sunway City Sdn. Bhd. ("SunCity") and SunwayMas Sdn. Bhd., both wholly-owned subsidiaries of the Group, entered into Supplemental Letter Agreements with their respective joint venture partners (as disclosed in Note 53(a)(i) to the Financial Statements) which resulted in the Group obtaining control of Sunway Artessa Sdn. Bhd. ("Sunway Artessa"), Sunway Velocity Two Sdn. Bhd. ("Sunway Velocity Two") and Daksina Harta Sdn. Bhd. ("Daksina Harta") in accordance with MFRS 10: *Consolidated Financial Statements*. Consequently, Sunway Artessa, Sunway Velocity Two and Daksina Harta became subsidiaries of the Group in FY 2022. The financial effects on the changes in the composition of the Group arising from the remeasurement of the previously held equity interests in Sunway Artessa, Sunway Velocity Two and Daksina Harta in accordance with MFRS 3: *Business Combinations* amounted to a net gain of RM66.2 million.

It should also be noted that due to the adoption of MFRS 15: *Revenue from Contracts with Customers*, the development profit from two of the Group's ongoing Singapore property development projects will only be recognised upon completion and handover of the projects. As a result, the accumulated progressive profit related to these projects as at the end of FY 2022 of RM109.6 million was not recognised.

	Revenue (RM'000)		Profit Before Tax (RM'000)	
	2022	2021	2022	2021
CONTINUING OPERATIONS				
Property Development	1,165,312	625,749	155,254	154,062
Property Investment <i>(comprises Property Investment, REIT, Leisure and Hospitality)</i>	689,976	312,349	235,792	(10,034)
Construction	1,281,604	1,111,698	186,566	148,750
Healthcare	-	-	176,826	-
Trading & Manufacturing	902,111	840,586	41,575	37,999
Quarry	406,167	337,757	13,675	9,383
Building Materials	219,837	143,526	20,005	10,564
Others	529,942	345,643	90,358	113,175
Total	5,194,949	3,717,308	920,051	463,899

	Profit After Tax (RM'000)	
	2022	2021
DISCONTINUED OPERATIONS		
Healthcare	-	2,390,486

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENTAL FINANCIAL PERFORMANCE

STATEMENT OF CASH FLOW

Continuing Operations

Property Development

In FY 2022, the Property Development division generated a revenue of RM1,165.3 million and profit before tax of RM155.3 million, compared to revenue of RM625.7 million and RM154.1 million profit before tax in FY 2021, marking a 86.2% increase in revenue and a marginal 0.8% increase in profit before tax. The revenue growth was mainly attributed to higher sales and progress billings from ongoing local development projects, completion and handover of a local development project and revenue recognition from three joint venture companies which became subsidiaries during the year.

Despite the higher progressive profit recognition from one of the Group's Singapore private condominium projects and higher share of results from one of the Group's overseas joint venture companies, profit before tax in FY 2022 was only marginally higher due to lower profit contribution from local development projects.

Property Investment

The Property Investment division reported revenue of RM690.0 million and profit before tax of RM235.8 million for FY 2022, reflecting a 120.9% increase in revenue and a higher profit before tax compared to the previous year's revenue of RM312.3 million and loss before tax of RM10.0 million. The significant improvement in revenue in FY 2022 was primarily attributed to higher revenue from the operations of property investment assets, increased number of visitors to the theme parks and higher occupancy rates at the Group's hotels.

It should be noted that the performance of the previous year was affected by the various phases of movement control orders, which had an adverse effect on the leisure and hospitality businesses. In addition, the profit in the year was also bolstered by net gains on the disposal of property investment assets amounting to RM28.1 million, stronger contribution from its associate company, Sunway REIT, and lower share of fair value loss on the revaluation of Sunway REIT properties of RM9.1 million, compared to RM23.1 million in FY 2021.

Construction

For FY 2022, the Construction division reported revenue of RM1,281.6 million and profit before tax of RM186.6 million. This marks a 15.3% increase in revenue and a 25.4% increase in profit before tax compared to FY 2021 when revenue was RM1,111.7 million and profit before tax was RM148.8 million. The division's improved financial performance in the current year was primarily due to higher progress billings from both local and overseas construction projects and improved profit margins.

Trading and Manufacturing

The Trading and Manufacturing division saw a 7.3% increase in its revenue of RM902.1 million and 9.4% increase in profit before tax at RM41.6 million in FY 2022, compared to the revenue of RM840.6 million and profit before tax of RM38.0 million in FY 2021. This growth was mainly driven by higher demand for trading and manufacturing products in the domestic market and the gradual recovery of its overseas markets.

Quarry

The Quarry division recorded revenue of RM406.2 million and profit before tax of RM13.7 million for FY 2022 compared to revenue of RM337.8 million and profit before tax of RM9.4 million in FY 2021, representing an increase in revenue of 20.3% and profit before tax of 45.7%. The growth in revenue was mainly due to higher sales volume and higher average selling prices of aggregates and premix, while profit before tax was boosted by a one-off compensation of RM6.5 million received from a court case in the first quarter of FY 2022.

Building Materials

The Building Materials division reported revenue of RM219.8 million and profit before tax of RM20.0 million in FY 2022, reflecting an increase in revenue of 53.2% and profit before tax of 88.7% compared to revenue of RM143.5 million and profit before tax of RM10.6 million in FY 2021. The higher sales volume of building materials achieved in the year under review and better average selling prices of Spun Piles products contributed to better profitability for the division.

Discontinued Operations

Healthcare

In FY 2022, the Healthcare division reported a share of net profit of RM176.8 million compared to the net profit of RM2,390.5 million in the preceding year. Excluding the one-off net gain from the partial divestment of Sunway Healthcare Group of RM2,286.1 million in the previous financial year and a share of one-off net remeasurement gain of leases as per MFRS 16 of RM48.3 million in FY 2022, the improved operating performance in the current year was due to an increase in the number of patients treated at both SMC Sunway City and SMC Velocity. The strong operating performance was partly offset by the share of operating loss from the newly opened SMC Penang amounting to RM10.1 million, and the share of tax provision of RM27.0 million, following the investment tax allowance (ITA) being fully exhausted in the first half of FY 2022.

STATEMENT OF FINANCIAL POSITION

The Group's total borrowings increased to RM9.1 billion in FY 2022 from RM8.7 billion in FY 2021, while cash and bank balances decreased from RM2.8 billion in FY 2021 to RM2.0 billion in FY 2022. As a result, net borrowings in FY 2022 was higher at RM7.1 billion compared to RM5.9 billion in FY 2021. The additional borrowings during the year was substantially utilised for capital expenditures related to land acquisitions and development of investment properties.

Total assets increased from RM25.1 billion in FY 2021 to RM26.1 billion in FY 2022. This was mainly attributed to the consolidation of net assets from the three joint venture companies reclassified to subsidiaries of the Group during the year. The increase mainly comprise of inventories (property development costs) amounting to RM875.9 million and net contract assets amounting to RM219.3 million (as disclosed in Note 19(b), 31(a) to the financial statements respectively), offset by decrease in cash and bank balances.

Share capital was unchanged at RM6.4 billion in FY 2022 compared to FY 2021, with a slight increase from the issuance of new ordinary shares pursuant to the exercise of warrants during the year.

RM'MILLION	2022	2021
Gross borrowings	9,056.2	8,715.5
Cash and bank balances	1,958.1	2,810.3
Net borrowings	7,098.1	5,905.2
Gross gearing ratio (times)	0.67	0.66
Net gearing ratio (times)*	0.52	0.45
Shareholders' fund	12,540.8	12,030.4
Net assets per share (sen)	213.76	205.06

* Net gearing ratio calculations exclude cross currency swap.

Operating Activities

Net cash generated from operating activities was RM336.8 million in FY 2022 compared to RM978.7 million in FY 2021. The amount generated from operating activities in FY 2022 was lower mainly due to increase in cash utilised for working capital purposes for the year.

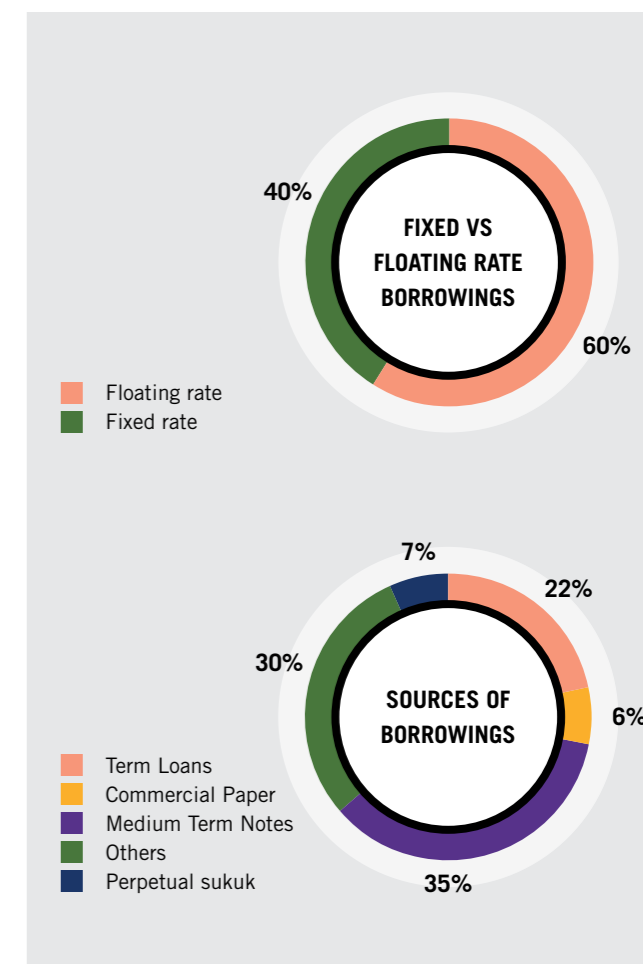
Investing Activities

In FY 2022, the Group utilised RM844.6 million for investing activities compared to RM1,279.6 million in FY 2021. The amount utilised was lower mainly due to lower acquisitions of assets made in the current year.

Financing Activities

Net cash from financing activities decreased from an inflow of RM845.0 million in FY 2021 to an outflow of RM324.5 million in FY 2022. This was mainly due to lower drawdown of borrowings, higher dividends paid to shareholders and higher interest paid during the current year.

As a result, cash and cash equivalents of the Group stood at RM1.9 billion as at 31 December 2022, a decrease from the preceding year's balance of RM2.7 billion.



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDENDS DECLARED

The Group has paid out RM97.8 million on 6 October 2022 as the first interim single-tier dividend of 2.00 sen per ordinary share for FY 2022. On the same date, a preferential dividend of 5.25% per annum based on the issue price of RM1.00 per irredeemable convertible preference shares ("ICPS") for the period from 1 January 2022 up to and including 30 June 2022 which amounted to RM25.7 million was paid to the ICPS holders.

On 23 February 2023, the Board had declared a second interim single-tier dividend of 3.50 sen per ordinary share for FY 2022 ("Second Interim Dividend"). The Board had also resolved that the Dividend Reinvestment Scheme ("DRS"), which was approved by the shareholders of Sunway at the Extraordinary General Meeting held on 26 June 2014, will apply to the Second Interim Dividend of which the shareholders may elect to reinvest a portion of the Second Interim Dividend comprising 2.00 sen per ordinary share into new ordinary shares with the remaining portion of the Second Interim Dividend of 1.50 sen per ordinary share to be paid in cash.

On 21 March 2023, the issue price of the new ordinary shares to be issued pursuant to the DRS had been fixed at RM1.38 per new ordinary share. The books closure date for the Second Interim Dividend and the DRS has been fixed on 5 April 2023. Allotment and issuance of new ordinary shares as well as payment of cash dividend to the ordinary shareholders is expected on 5 May 2023.

This brings the full year ordinary share dividend declared for FY 2022 of 5.50 sen per ordinary share, which is higher than the dividend declared of 2.50 sen per ordinary share for FY 2021.

The second preferential dividend of 5.25% per annum based on the issue price of RM1.00 per ICPS for the period from 1 July 2022 up to and including 31 December 2022 for FY 2022 was also declared on 23 February 2023 and paid on 13 April 2023.

With the steadfast support of its shareholders, the Group stayed resilient and recovered remarkably in FY 2022. Going forward, the Group remains committed to provide steady returns to its shareholders.


CAPITAL MANAGEMENT

Sunway's financial capital management strategy is overseen by its centralised treasury operations. The Group maintains a flexible capital structure that employs a diversified funding mix with a well-balanced borrowing profile. The Treasury periodically reviews the Group's exposures to ensure an optimal debt-to-equity mix and mitigate the Group against interest rate and foreign currency risks arising from its borrowings. This strategy enables the Group to maintain sufficient liquidity to respond effectively to the dynamic operating environment.

The financial strength of Sunway is supported by Malaysian Rating Corporation Berhad ("MARC"), which has upheld Sunway's private debt securities programmes at a rating of MARC-1/AA- during its annual review. Given the current challenging economic conditions, the stable ratings outlook is testament to the Company's resilience and financial soundness.

RISK MANAGEMENT

The Group's business activities and operational processes are governed by its Enterprise Risk Management ("ERM") that is benchmarked against ISO 31000:2018 Risk Management - Guidelines. It enables the Group to effectively identify, evaluate, mitigate and monitor various financial, operational, and strategic risks to safeguard the interests of all Sunway stakeholders.

 *The Group's risk management structure and control mechanisms are disclosed in the Statement on Risk Management and Internal Control on pages 143 to 147 of this IAR 2022.*

SEGMENTAL OPERATIONS REVIEW

The key indicators for each division, tracked over the last five years, are illustrated in the table below:

	2022	2021	2020	2019	2018
Property Development					
- Launches (RM'billion)	1.0	3.2	1.9	1.2	2.1
- Sales (RM'billion)	2.0	2.6	1.3	1.6	1.9
- Unbilled Sales (RM'billion)	4.3	4.0	2.4	2.7	2.1
- Landbank (acres)	3,292	3,334	3,328	3,347	3,283
Healthcare					
- Number of Consultation Suites	291	242	237	226	180
- Number of Operating Theatres	24	19	19	17	12
- Number of Licensed Beds	875	743	743	744	636
Construction					
- New Contracts Secured (RM'billion)	2.6	1.5	2.3	1.8	1.6
- Outstanding Order Book (RM'billion)	5.3	4.8	5.1	5.2	5.2
Property Investment and REIT					
- Assets Under Management (RM'billion)	11.8	11.1	10.9	10.7	9.9
- Total Net Lettable Area (million sq ft)	12.5	11.7	11.6	11.3	10.2
Leisure					
- Total Park Size (acres)	128	128	128	128	128
- Visitorship (million)	1.6	0.6	0.6	2.5	2.4
Hospitality					
- Number of Hotels and Resorts Managed	12	12	11	11	11
- Number of Guestrooms	3,717	3,696	3,424	3,386	3,386
Trading & Manufacturing					
- Regional Presence (countries)	7	7	7	7	6
- Agency Lines	207	200	191	181	166
Quarry					
- Number of Quarries	9	9	9	8	6
- Number of Asphalt Plants	23	23	24	24	13
Building Materials					
- Number of Manufacturing Facilities	9	9	9	9	8

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY
DEVELOPMENT

Artist's impression of Sunway Alishan Residences, a freehold condominium on a gentle hillside in Cheras, Kuala Lumpur

Operating Environment

Sunway's Property Development division faced a challenging operating environment in FY 2022 due to various social, economic and political factors that affected consumer sentiments in the property markets of Malaysia, Singapore and China.

In Malaysia, the pandemic's effects on the economy continued to be felt throughout the year. Although the easing of domestic COVID-19 measures have helped to allay the sense of unpredictability faced by home purchasers, however, demand for properties remained dampened due to lower disposable income from prolonged job losses and business closures, rising cost of living due to significant inflation, as well as the domestic economic instability which persisted till the end of the year.

Buyers' affordability were also affected by the four rounds of interest rate hikes in FY 2022, and the suspension of the Homeownership Campaign ("HOC"). The HOC campaign, which helped incentivise the market for the previous two

years was not extended when it ended on 31 December 2021, thus affecting buyers' sentiment for homes priced over RM500,000 and dampened demand for Sunway Property's homes, with majority of the units with an average price of RM800,000. The removal of stamp duty exemption upon expiry of the HOC campaign further impacted sales and the higher interest rate environment compounded the effects of loan affordability.

Demand in its property developments in Singapore remains robust although the property cooling measures announced by the island nation's government in December 2021 posed a dampener to the demand. Further, the subsequent Singapore Budget announcement in February 2023 also included a marginal increase in property tax for non-owner-occupied residential properties and investment properties from 2023. These measures were aimed at cooling the private residential and HDB resale markets, and also impacted demand from prospective property investors and owners in Singapore, especially for higher-value properties.

Operating Environment

Meanwhile, the property market sentiment in China was also affected by the adjustment of its real estate market, weak confidence in the private economy, and in particular, the controls and restrictions implemented during the COVID epidemics in its cities, which hindered the movement of citizens and negatively impacted the economic income of businesses and individuals.

Strategic Response

The Property Development division originally targeted RM2.3 billion Gross Development Value ("GDV") worth of property development launches for FY 2022. However, the launches were scaled back to just RM1.0 billion in GDV given the growing inflation and geopolitical tension which affected market sentiment as the year unfolded. This was further aggravated by some delays in getting authorities' approval, as well as changes in government policies in Singapore and China that also stalled certain overseas launches. To counter these impacts, the Property Development division focused on several strategies to sustain and enhance its financial and non-financial value creation.

Key among these was to leverage the Sunway ecosystem to improve the sustainability of communities and strengthen the Group's ESG-driven value proposition. The division aims to have all its building developments and new townships completed from 2025 onwards to be green-certified. Besides that, the division will also carry out energy, water and waste management across its developments. As of 2022, 37 of its buildings and 2 of the townships have attained green certification.

Additionally, for certain property development projects, the division has signed MOUs with commercial banks for preferential end-financing for green-certified developments as well as exploring investment in district cooling system solutions to lower operating costs and carbon emissions.

With low carbon mobility and sustainability in mind, the division continues to focus on building integrated and Transit-Oriented Development ("TOD") for its upcoming property creations and landbank replenishment activities, and is driven to innovate new value propositions and launching new community experiences to enhance its market leadership in envisioning future living expectations. To that end, the Sunway Property Signature Series marketing campaign was launched to showcase 8 key projects in the Central region crafted under Sunway Design & Development Architecture ("SDDA") design

Operationally, the division had to contend with a shortage of foreign labour due to the prolonged border closures, leading to slower progress billings which affected the revenue of the division. The disrupted supply chains and weaker ringgit also resulted in higher cost of construction materials, further cutting into the division's profit margins.


philosophy that is based on the four pillars of sustainability, innovation, health and wellness, lifestyle and new experiences.

Leveraging the Group's synergistic strength, the Property Development division also launched Sunway Property Pals+ in collaboration with all the business units within Sunway Group to create an enhanced community experience. Envisioned with benefits for owners, sub-sale owners, and tenants of Sunway Property in Malaysia, Sunway Property Pals+ comprises a rent credit programme, home cleaning services, and other rewards and perks to enhance the appeal of the Group's property offerings.

Operationally, the division has been accelerating its digital transformation track and enhancing go-to-market strategies using digital platforms. A new mobile-based leads management system with FastKey and WhatsApp for Business was launched for its marketing and sales team to improve responsiveness in the marketplace and better serve customers. The division also launched a new centralised digital-based communication platform that allows its Customer Account Relations, Bank Solicitors, and SPA Solicitors to closely monitor buyers' loan disbursement process.

The division believes that employees are its greatest asset, and are committed to nurturing their capabilities and competencies. The division offers a range of learning initiatives and opportunities to support employees' growth and development.

Sunway Property Development division has also built a collaborative culture through various programmes and initiatives such as project marketplace, redesigning the office space and encouraging innovation to be a future-ready workforce. By encouraging its employees to thrive in a conducive environment, the division is solidifying its position as the employer of choice in the industry and beyond.

 Please see page 38 for more information on the Property Development division's Strategic Snapshot.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements

Future Orientation

Commendable Sales and Launches

Despite the softer property market and higher interest rate environment, the Property Development division successfully achieved RM2.0 billion in sales in FY 2022.

The division's three residential property launches in Malaysia were focused around strategic locations in the Central region, consisting of Jernih Residence in Kajang launched in May 2022, Sunway Alishan Residences in Cheras launched in October 2022, and Tower 2 of Sunway d'hill Residences in Kota Damansara launched in October 2022. Interest for these new residential launches have been rather muted due to poor market sentiments, with Jernih Residences and Sunway Alishan Residences receiving take-up rates of 28% and 23% respectively in FY 2022. The division also launched the retail lots of Sunway Dora in Bayan Baru, Penang in October 2022 in anticipation of the launch of the condominium and affordable units in 2023.

In Singapore, there were no projects launched during the year. The division's executive condominiums Parc Canberra and Parc Central Residences were fully taken up, while the private condominiums Ki Residences at Bukit Timah had a take-up rate of 97%.

Properties Completion and Handovers

In FY 2022, Sunway's Property Development division successfully completed and handed over 821 units residential properties. This included 68 units of Sunway Lenang Heights Phase 1B Semi-D and 501 units of Sunway GRID Residence both in Johor in Q1 2022 and Sunway Onsen Suites in Ipoh in Q3 2022.


Strategic Landbanking

The Property Development division continued to prioritise strategic land acquisitions to strengthen its presence in Malaysia, Singapore and China. In the year under review, the division has secured a 5.5-acre land in Cheras, Kuala Lumpur for future property development project with a GDV of approximately RM1.2 billion. The land is located close to the integrated development of Sunway Velocity Kuala Lumpur.

As at 31 December 2022, the total landbank remaining for the division of 3,292 acres with a total GDV of RM58.9 billion are mainly located in Malaysia.

Property Awards and Industry Recognition

The division's position as among the top property developers in the nation was again affirmed by numerous industry recognitions and accolades secured in FY 2022. This includes the coveted Top 10 Property Developers' Award at The Edge Malaysia Property Excellence Awards (TEPEA) 2022, a total of 9 accolades including the All-Stars Award at StarProperty Awards 2022, and another Top 10 Developers Award 2022 from BCI Asia Awards 2022, as well as other accolades from TheEdge, Malaysia Developer Awards 2022, Graduates' Choice Awards 2022 and the 2022 Putra Brand Awards.

 Please see pages 14 to 15 for more information on the Property Development division's awards and accolades.

Planned launches in FY 2023

MALAYSIA

Klang Valley



■ Sunway Flora Residences in Bukit Jalil, the first GreenRE Platinum (Provisional) residential property in the area

Ipoh



■ Sunway Bayu, a flexi-terrace development in Sunway City Ipoh

Johor



■ Two landed developments, Sunway Aviana and Sunway Maple, located in its largest integrated township of Sunway City Iskandar Puteri
■ Semi-detached houses and bungalows in Sunway Lenang Heights

Penang



■ A condominium in Sunway Dora, a mixed development in Bayan Baru, Penang

INTERNATIONAL

Singapore



■ Terra Hill, a freehold hillside luxury condominium built on the site at Yew Siang Road
■ The Continuum, a freehold residential condominium in the prime District 15 of Tanjong Katong

China



■ Block 9 of Sunway Gardens residential property project in Tianjin

The outlook and prospects for Sunway's Property Development division remains positive with the anticipated gradual economic recovery in 2023. While there are lingering pandemic impacts on the supply chain, growing geopolitical tensions and tighter monetary policies impacting the consumer cost of living globally, the domestic property sales momentum is gradually recovering, particularly in the affordable and mid-range property segments targeting first-home buyers. Furthermore, the reopening of international borders and normalisation of activities bode well for foreign interest in local properties.

In light of these factors, the Property Development division targets RM2.3 billion in sales with a robust RM3.5 billion worth of property development projects in the pipeline for launch that are well-tailored for the current market conditions and the right buyer categories in 2023. Planned launches in FY 2023 include developments in the Klang Valley, Johor, Ipoh, and Penang, as well as international projects in Singapore and China.

As we move into 2023 and beyond, the division will continue to leverage the synergistic strength of the Group ecosystem to augment its competitive advantage and support the sales of these developments with innovative marketing campaigns to address homeownership challenges and provide additional benefits to enhance brand loyalty.

The division plans to continue growing its footprint in Malaysia, Singapore and China while simultaneously looking for opportunities to acquire significant landbanks in growing markets in Southeast Asia such as Vietnam and Indonesia. The division is also committed to incorporating better resource management strategies into its developments to reduce the embodied carbon footprint and lifetime emissions of its property buildings to support the net zero carbon goals of the Group and realise its vision of innovating a better tomorrow.

With these future-focused strategies in place and supported by RM4.3 billion remaining in unbilled sales and 3,292 acres of landbank remaining for future developments, the Management is optimistic about the outlook of the Property Development division in FY 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

HEALTHCARE



Sunway Medical Centre Penang, Sunway's Healthcare division's first hospital outside the Klang Valley

Operating Environment

Against the backdrop of a global economy still reeling from the pandemic, the endemic phase has seen a rebound in the healthcare industry due to strong pent-up demand. The healthcare sector has seen a steady return in patient volumes, which is further bolstered by the reopening of international borders, heralding the return of medical tourism.

In their Current Population Estimates report in July 2022, the Department of Statistics of Malaysia projected that 7.3% of the total population will reach the age of 65 and above by 2022 and the ageing population in the country is growing at a faster rate than initially expected by 2030. Based on the United Nations definition, Malaysia has become an ageing society. Therefore, there is a growing addressable market in healthcare for the ageing population.

The healthcare industry has also benefitted from technological advancements, particularly in the area of medical clinical research and technology-assisted clinical treatments. Sunway's Healthcare division has been actively investing in the latest state-of-the-art technology and medical equipment to stay ahead of the competition and cater to growing demands.

As healthcare takes more prominence locally and globally, the shortage of nurses in the country continued to be a challenge for the industry as some nurses take up offers to work in other countries.

Other challenges impacting the division includes the higher cost of operations due to rising interest rates, higher inflationary pressures and the weakening of MYR against the USD which exacerbate the affordability of private medical care for the average household.

Strategic Response

Business Efficiency and Expansion

Sunway's Healthcare division, Sunway Healthcare Group ("SHG") has stepped up its operational efficiency by centralising strategic sourcing and procurement, along with maintaining strategic relationship management with its stakeholders such as major insurance companies, third-party healthcare agents and regulators to facilitate patient access to quality care.

SHG's focus in FY 2022 is also on expanding existing businesses and creating new revenue streams for future income generation, such as providing new service offerings to customers and increasing the division's brand presence in new market segments and locations. This also allows the division to better meet the increase in demand for healthcare services as the population ages. In addition to ramping up construction and rolling out new hospital facilities, SHG is actively looking out for strategic acquisitions that complement its overall "hub and spoke" business model. SHG has also expanded its home care service as well as venturing into senior living to better serve the needs of the seniors.

Improving Quality of Care through Digitalisation

SHG has commenced the upgrade and enhancement of an online / mobile application, SunMed Go 2.0 with full capabilities to support multiple functionalities across all the hospitals, including appointment bookings, telemedicine consultations, and access to medical records. Furthermore, Sunway Medical Centre ("SMC") Sunway City has embarked on a Hospital Information System ("HIS") upgrade and the implementation of an Electronic Medical Record ("EMR") system. The EMR system provides healthcare professionals with quick access


to accurate, up-to-date, and complete information about their patients for a more coordinated and efficient care, as well as more accurate diagnosis.

Pioneering Medical Technology and Services

SHG has continued to strengthen its digital health offerings, launching an Immunology lab in FY 2022 to support pre-transplant screening. SMC Sunway City has also introduced new clinical services, such as a paediatric intensive care, and expanded the cancer centre's capabilities with a new uMI® 780 digital PET/CT scanner. The scanner is built with uEXPLORER PET technology by United Imaging, offering whole-organ coverage with high system sensitivity, enabling low dose PET scans and boosting data acquisition. Another area of clinical excellence includes the introduction of a new form of immunotherapy, called Chimeric Antigen Receptor (CAR) T-cell therapy, which is particularly effective for patients diagnosed with relapsed and refractory forms of blood cancer. These pioneering medical technologies and services will help SHG stay ahead of the competition and meet the growing demand for quality healthcare and better clinical outcomes.

Addressing Shortage of Nursing Manpower

As having sufficient nursing manpower is crucial to SHG's expansion plans, SHG has continued to work with Sunway University and other nursing colleges to train more nurses as well as increase post-basic training opportunities for nurses in various specialties. SHG has also reviewed the remuneration package and implemented other initiatives to attract and retain nurses.

 Please see page 39 for more information on the Healthcare division's Strategic Snapshot.

Highlights and Achievements

Malaysian Market Expansion

SHG's market expansion efforts in FY 2022 were marked by several significant milestones.

In the Klang Valley, SMC Velocity successfully launched its Fertility Centre for In-vitro fertilisation (IVF) treatment in September 2022 and recorded a historical high in the number of babies delivered in October 2022 with 238 deliveries. Sunway Specialist Centre Damansara ("SSCD") has also increased its capacity by adding more consultation suites in February 2022.

SHG's first hospital outside the Klang Valley, SMC Penang commenced operations on 11 November 2022 with 132 licensed beds. The new hospital offers more than 30 medical specialties and supported by state-of-the-art technologies and top-notch facilities to cater to the healthcare needs of families and communities in the surrounding area.

Further, in the first quarter of 2022, SHG expanded its presence in East Malaysia with the opening of Sunway TCM Centre's second branch and Sunway Fertility Centre in Kuching, Sarawak. These centres will serve the local population in East Malaysia, as well as international patients as the centres are located strategically close to Kuching International Airport.

Delivering Revenue Growth

SHG delivered a revenue of over RM1 billion in FY 2022, representing a 30% year-on-year growth. This growth was mainly driven by the post-pandemic pent-up demand and the return of health tourists.

SMC Penang's two-month performance in 2022 had exceeded expectations, attributed to the demand for quality tertiary healthcare services in the mainland of Penang and Northern Region in Malaysia, and booming commercial activities in the area where the hospital is located.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements

Enhancing Clinical Excellence & Customer Satisfaction

SMC Sunway City is the first private hospital in Malaysia to acquire the “Da Vinci Xi” robotic assisted surgical system, which further enhanced patient outcomes for minimally invasive surgeries as it offers faster recovery, less pain, shorter hospitalisation and minimal scarring. The addition of this state-of-the-art system supported SMC Sunway City in the achievement of a significant landmark on 8 December 2022, when the hospital celebrated the administration of 1,000 robot-assisted surgeries. SMC Sunway City is also the first hospital in Southeast Asia to install the uMI® 780 digital PET/CT scanner by United Imaging in August 2022.

With the introduction of these state-of-the-art technologies and the digitalisation and streamlining of processes, SHG is able to provide better and more accurate diagnosis, leading to increased customer satisfaction and visibility of end-to-end patient journey. These achievements demonstrate SHG’s commitment to maintaining the highest standards of healthcare services, leveraging best practices and next generation innovations to provide the best possible clinical outcomes for its patients.

In FY 2022, SMC Sunway City has also successfully retained the internationally-recognised Australian Council on Healthcare Standards (“ACHS”) accreditation.

Providing Subsidised Cancer Care for the Community

Beyond driving business growth, SHG is also mindful about addressing community needs and has established the Sunway Cancer Support Fund worth RM2.5 million in October 2022 to facilitate subsidised cancer treatments at SMC Sunway City and provide free cancer screenings to high-risk groups. Since the fund’s inception, it has helped to improve access to cancer care for the community, with over 200 people receiving free mammogram screenings to-date.


Corporate Development Highlights

In June 2021, Sunway sealed a landmark partnership with Greenwood Capital Pte. Ltd. (“Greenwood”), an affiliate of GIC Pte Ltd (“GIC”), for a RM750 million investment into Sunway Healthcare Holdings Sdn Bhd (“SHH”). Via the Supplemental Share Subscription Agreement, SHH successfully fulfilled the 1st Closing and 2nd Closing conditions, following which Greenwood paid the 1st and 2nd tranche of the Subscription Amount of RM199,999,994.32 and RM100,000,000.00 respectively to SHH.

Additionally, on 29 December 2022, Sunway Medical Centre Sdn Bhd, entered into a Conditional Sale and Purchase Agreement (“SPA”) with RHB Trustees Berhad as trustee for Sunway Real Estate Investment Trust (“Sunway REIT”) for the proposed acquisition of Sunway Medical Centre Tower A & B for a total purchase consideration of RM430 million. The proposed acquisition is expected to be completed by Q2 2023 thereby consolidating of healthcare assets under SHG. This further solidifying SHG’s commitment as one of Malaysia’s largest healthcare service provider.

Awards and Recognition

In FY 2022, SHG continued to receive numerous awards and accolades recognising its stellar accomplishments including among others, Frost & Sullivan 2022 Best Practices Award for Malaysia Smart Hospital Company of the Year for the second consecutive year and Healthcare Asia Awards 2022 for Hospital of the Year and Smart Hospital Initiative of the Year for SMC Sunway City.

 Please see page 15 for more information on the Healthcare division’s awards and accolades.



Sunway Cancer Support Fund on the mission to prevent cancer and support cancer patients

Future Orientation

The outlook of the healthcare industry is projected to remain robust in 2023. With the reopening of international borders, the healthcare industry will continue to benefit from the improving inbound medical-related tourism. Furthermore, in the latest Budget 2023 tabling, the sector received the second largest allocation of RM36.3 billion, up from RM32.4 billion last year.

Against this promising industry outlook, SHG will continue to pursue its business expansion plans in FY 2023. Projects under construction include SMC Sunway City Phase 4, Sunway Sanctuary, SMC Damansara, SMC Velocity Phase 2, and SMC Ipoh, with target commencement dates in the latter half of FY 2023 and also FY 2024. The expansion plan is key to support the long-term financial growth of SHG and capture the demand of underserved segments. Though a gestation period is to be expected for the new hospitals, it will add significant profit contributions to the bottom line. Capital expenditure will also be required to bring in advanced equipment, and for the hiring of new front and back-end support staff, for these new facilities.

Simultaneously, SHG also intends to grow its share of the medical tourism and interstate market, leveraging on its strong brand name and established customer trust and confidence, to tap into opportunities in the overseas market, particularly in the Southeast Asia region. Strategic partnerships with the other business units such as the hospitality and leisure businesses, as well as with agents based in these target countries, will be key in driving health tourism marketing efforts and elevating SHG health tourists’ overall experience.

The strong progress made in FY 2022 on driving clinical excellence will be carried on in FY 2023 through additional digitalisation initiatives and investments to strengthen our first mover advantage in new clinical treatment areas and enhance the position of the Sunway brand in the healthcare industry.



Artist’s impression of upcoming SMC Ipoh

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

CONSTRUCTION



Light Rail Transit 3 (LRT3) Package GS07&08 in the Klang Valley

Operating Environment

Sunway Construction Group Berhad (“SunCon”) faced another challenging macro-operating environment in FY 2022, with the onset of new COVID-19 variants at the start of the year which disrupted the division’s work progress. Even after the lifting of pandemic restrictions in May 2022, the lingering impacts of the virus continued to affect the construction sector’s operations, with the prolonged supply chain disruptions coupled with geopolitical tensions globally delaying work flows and escalating prices for building materials such as cement, steel bars, copper, and others.

Labour shortage issues that plagued the industry since the start of the pandemic persisted throughout most of the year, causing work progress delays and consequently, higher operational costs, as SunCon had to adapt to work site challenges with fewer resources. The labour shortage issue was gradually resolved towards the end of 2022.

Additionally, the delays in the rollout of the nation’s pump-priming mega infrastructure projects also impacted the overall construction sector.

Strategic Response

Amid the challenging business environment, SunCon has remained steadfast in its business sustainability efforts with a focus on efficient project execution and delivery, while remaining agile and diligently growing its core business.

Growth areas explored in FY 2022 include expansion into new markets through collaborations. To this end, SunCon has explored more challenging engineering special-purpose facilities projects such as construction of the semiconductor industry facilities, building of data centres and logistic warehousing facilities to expand SunCon’s order book while also leveraging these opportunities to upskill its talent team to newer and more specialised construction methodologies.

Further, SunCon also worked to diversify its revenue streams and reduce the risk of cyclical market impacts by expanding its presence in the ASEAN market. Beyond the two ongoing highway projects in India, SunCon has set its sights on securing projects in emerging markets such as Indonesia and Vietnam, particularly with an eye towards projects with recurring income streams to enhance SunCon’s revenue stability.

During the year, SunCon also entered into an EPC agreement with Song Hau 2 Power Company Limited to provide US\$2.42 billion (RM11 billion) worth of engineering, procurement and construction works as a consortium for a 2,120MW coal-fired power plant in Vietnam. Upon successful negotiation, this project will mark SunCon’s maiden foray into the power generation industry.

These expansion efforts were carried out with the support of SunCon’s strong balance sheet, leveraging its excess cash and financing capacity to generate more income in future, while cautiously limiting its gearing ratio to just 0.5 times.

Despite the headwinds, SunCon registered a set of stellar financial performance for the financial year ended 31 December 2022 on the back of contribution from projects in India and normalisation of economic activities in the current financial year.



Solar panel installation on the rooftop of Sunway Giza Mall by SunCon

Please see page 40 for more information on the Construction division’s Strategic Snapshot.

Highlights and Achievements

Order Book Highlights

In tandem with the transition towards the endemic phase of COVID-19 where restrictions were gradually lifted, SunCon has progressively ramped up its pace of operations to ensure timely delivery on the backlog of projects. A new operational milestone was recorded during the year when SunCon successfully completed the construction of 6 building projects, the most projects ever completed in a single year, while making good progress on the construction of other ongoing projects such as the Sunway Belfield residential skyscraper in KL, Phases 2A and 2B of the Sunway Velocity development in KL, South Quay Square in Sunway City Kuala Lumpur, and Sunway Medical Centre facilities in Ipoh and Damansara.

This is in addition to the substantial completion of the LRT3 Package GS07&08 infrastructure project, mechanical, electrical and plumbing (“MEP”) works for the MRT Line 2 Underground Stations at Chan Sow Lin and Sentul West, the air conditioning and mechanical ventilation system and thermal energy storage tank at IOI City Mall Phase 2 project, and the completion of 4 other geotechnical projects in FY 2022.

Key projects secured during the year include Sunway Flora Residences in Bukit Jalil, which entails the construction of 45-storey and 46-storey apartment blocks totalling 748 units at a contract value of RM278 million, as well as the RM185 million project to conduct

BUILDING PROJECTS COMPLETED IN FY 2022

Central Region

- TNB HQ Campus Phase 2, Kuala Lumpur
- Sunway Serene, Petaling Jaya
- Sunway International School, Sunway City KL

Northern Region

- Sunway Medical Centre Penang
- Sunway Carnival Mall Extension, Penang

Southern Region

- Sunway Big Box Office, Sunway City Iskandar Puteri, Johor

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements

Engineering, procurement, construction and commissioning (EPCC) works for a 50-megawatt solar photovoltaic ("PV") energy generating facility in Kapar, Klang. SunCon also entered into a General Contractor Services Contract for a data centre located in Sedenak Tech Park (STeP) in Johor with an estimated contract sum of RM1.7 billion.

As at 31 December 2022, SunCon maintained a strong outstanding order book of RM5.3 billion and also surpassed its FY 2022 new order book target to end the year at RM2.6 billion, compared to its target of RM2.0 billion.

Sustainable Energy Venture

In FY 2022, SunCon has commenced the building of a District Cooling System ("DCS") in collaboration with ENGIE Southeast Asia at South Quay Square, Sunway City Kuala Lumpur – SunCon's first DCS project, which will provide an energy-efficient cooling solution to reduce the commercial development's carbon footprint. During the year, the division has completed the solar PV panel installation at the rooftop of the Universiti Sains Malaysia ("USM") campus in Nibong Tebal, Penang which has begun commercial operation in January 2023 with a Power Purchase Agreement ("PPA") that will last for 20 years.

Although the Large Scale Solar 4 ("LSS4") projects were delayed due to supply chain disruptions from China's protracted lockdown and geopolitical tensions, the projects' viability was addressed by the Energy Commission with the extension of the Power Purchase Agreement ("PPA") tenure by 4 years, and SunCon is currently the EPCC contractor for two 50-megawatt solar PV energy generating facility in Klang, Selangor and Gopeng, Perak. The division has commenced construction in 2023, with a targeted Schedule Commercial Operation Date ("SCOD") by December 2023.

Integrated Construction and Prefabrication Hub

In December 2022, SunCon successfully completed the construction and commissioning of the Integrated Construction and Prefabrication Hub ("ICPH") in Pulau Punggol Barat, Singapore. This new facility has a production capacity of 73,500m³ of precast components annually and can handle a more extensive variety of product mixes, including large panel slabs and 3D components. The division is now focusing on developing its order book for the new plant to maximise its production output.


Innovation & Technology

SunCon continues to utilise innovative construction solutions and embrace digitalisation to sustain its competitive advantage. Throughout the year, the focus on Virtual Design and Construction ("VDC") initiatives has been to enhance the 3D, 4D & 5D-field implementation using a connected common data environment. This collaborative environment has allowed all project stakeholders to work together seamlessly, enabling SunCon to make swift and informed decisions that has led to better productivity and efficiency for SunCon's business operations.

Awards and Recognitions

SunCon has received several awards in FY 2022 that underscored its steadfast commitment to transparency, sustainable value creation and good governance despite the challenging operating environment posed by the pandemic. Awards received include The Edge Billion Ringgit Club Award 2022 for the Highest Return on Equity Over Three Years, secured for the fourth consecutive year, and three awards for SunCon's Integrated Report 2021 – Silver Award at the Australasian Reporting Awards (ARA) 2022, Bronze Award at the International Annual Report Competition (ARC) Awards 2022, and Gold Award in the 'Excellence Awards - Companies with RM2 billion to RM10 billion in market capitalisation' category at the National Annual Corporate Report Awards (NACRA) 2022.

The division was also Champion in the Construction sector at the Talentbank Graduates' Choice Awards 2022.

 Please see page 16 for more information on the Construction division's awards and accolades.

Future Orientation

Moving forward, construction activity in Malaysia is expected to witness a gradual recovery in the coming year, in tandem with the recovery in economic activities and the anticipated rollout of new and ongoing mega infrastructure projects. SunCon's outstanding order book of RM5.3 billion worth of secured projects will provide earnings visibility until 2024. The division is also actively working towards replenishing its order book.

SunCon has participated in over RM23 billion worth of tenders locally and abroad, and is looking forward to benefit from the various mega infrastructure projects being rolled out in 2023. In the renewable energy sector, the recent release of 800MW quota for solar PV assets under the Corporate Green Power Programme (CGPP) presents opportunities for SunCon given its significant progress in this sector.

The division's strong track record in delivering total solutions will be a competitive advantage as it pursues this and other high-value technology sector projects, as well as its regional expansion plans into ASEAN and India. Collaborations with reputable joint venture partners will enable SunCon to pool complementary capabilities and expertise to take on more

challenging projects and broaden its offerings to clients, while at the same time, reducing the respective partners' risk exposure.

SunCon is also focusing on talent management initiatives to attract, develop and retain a highly skilled workforce at all levels within the organisation. The division is committed to providing its talents with opportunities to develop themselves personally as well and professionally, and will continue to drive positive engagements within the organisation to strengthen its human capital.

With these strategies in place, SunCon is poised to ride on the wave of recovery, armed with a full-fledged integrated capabilities and expertise to capitalise on future opportunities.

Detailed discussion of SunCon's business model, performance, strategies, risk and outlook can be found in Sunway Construction Group Berhad's Integrated Annual Report 2022.



Completion of TNB HQ Campus Phase 2 in Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY INVESTMENT AND REIT



Sunway Big Box Office in Sunway City Iskandar Puteri

Operating Environment

Amid continued geopolitical uncertainty and supply chain disruptions impacting many economic sectors, green shoots of economic recovery were seen in FY 2022 which have shaped the recovery of the Property Investment and REIT sector. Retail segment rebounded in FY 2022 since the restart of economic activities at the end of FY 2021 and saw sustained improvements throughout the year underpinned by strong domestic consumption, stable unemployment rate and return of festive spending.

The commercial segment had good occupancy rates despite being challenged with oversupply of office space in FY 2022, particularly due to the supply of new office spaces in Kuala Lumpur and Selangor. However, these new office spaces come with newer facilities and amenities putting pressure on

the vacancy and rental rates of older buildings. In the long run, the oversupply situation in the office market may persist and worsen as buildings age.

In FY 2022, the retail and commercial segments were also dealing with the reverberations of COVID-19's impact on consumer behavioural changes fuelling the rapid growth of e-commerce and Work From Home adoption dampening demand for retail and leisure activities, and impacting occupancy rates of the commercial segment. The division also contended with the rising cost of doing business due to inflation, the removal of COVID-19 government subsidy on utility cost, and higher interest cost and cost of debts due to the multiple rounds of interest hikes in FY 2022.

Strategic Response

Sunway's Property Investment and REIT division actively executed Asset Enhancement Initiatives ("AEI") and Asset Management Initiatives ("AMIs") to create additional Net Lettable Area ("NLA"), increase its income and property yields, and protect its market share amidst competition from new retail and office space supply in the market.

To that end, Sunway Pyramid Mall launched a new precinct, The Link, and Sunway Resort Hotel annexe (Sports Direct) to attract new tenants into the mall and refresh the tenancy mix to drive higher retail footfall and higher average rental rates. A new wing at Sunway Carnival Mall was launched in June 2022, which houses a list of many first-of-its-brand stores in mainland Penang, and a number of large format stores from international, regional and local retail brands. Collectively, these launches added approximately 46,000 sq ft in NLA at Sunway Pyramid Mall and slightly over 710,000 sq ft at Sunway Carnival Mall which contributed positively to the financials of the retail segment in FY 2022.

The refreshing of tenancy mix of the retail segment through AMI saw the introduction of over 110 new tenants into Sunway's malls including big names such as Don Don Donki, Crème-de-la-crème, Tea Garden and Xction Extreme Park.

Various initiatives were also rolled out to ensure the assets remain competitive and relevant in the commercial segment, focusing on reinventing the value proposition of its aged office building portfolio to retain its tenants and attract new lessee for its office spaces. This include the formulation of competitive rental packages, conversion of existing office spaces into co-working space, and employed AEI and AMI to increase income and property yields. Additionally, the division launched a Corporate Suite@Level 19 at Sunway Resort Hotel to add 30,000 sq ft of NLA in this managed property.

Simultaneously, the division is also upgrading the mechanical and electrical systems facilities of Sunway Putra Tower to achieve Malaysia Digital Status to attract tenants from the booming technology industry as a means to improve revenue, rental rate and property yield.

Please see page 41 for more information on the Property Investment and REIT division's Strategic Snapshot.

Highlights and Achievements

Retail Segment

The retail segment of the Property Investment and REIT division has rebounded strongly in FY 2022 due to the higher retail footfall that has driven retail sales to surpass pre-pandemic levels recorded in 2019. Aside from the organic recovery of the sector, the improved performance was also attributed by AMI and AEI initiatives undertaken by the various Sunway's malls. With the increase in total NLA and improved tenancy mix, higher average rental rates and occupancy rates were achieved in FY 2022, which contributed positively to the financials of the retail segment.

In particular, the conversion of The Link from a non-revenue generating walkway into a vibrant precinct contributed additional rental revenue in FY 2022, while the launch of the new wing at Sunway Carnival Mall successfully achieved a 93% occupancy of its slightly over 710,000 sq ft NLA to meet the underserved retail market of mainland Penang, and saw a 50% increase in the mall's car count from the levels achieved pre-pandemic. Aside from financial contribution, the expansion of Sunway Carnival Mall had the added impact of strengthening Sunway's brand position as a leading retail mall operator in the Northern region, and generated economic and social multiplier-effect with an additional 2,000 new jobs created for the local community.

2022 also marked the 25th Anniversary of Sunway's malls when the retail segment first began operations in 1997 with Sunway Pyramid's 1 million sq ft NLA. Today, the retail segment has scaled up to seven malls with a combined NLA of 5 million sq ft. The retail segment celebrated its 25th Silver Jubilee event with over 1,000 of its valued business partners to acknowledge and appreciate its long-serving employees, key stakeholders and customers who have been instrumental in driving Sunway's malls growth.

Sunway's malls continue to garner recognitions and accolades at the international and regional levels. The malls were awarded overall winner Gold in the International Customer Experience Awards (iCXA) 2022. Sunway's malls also received 5 Malaysian Society for Occupational Safety & Health awards (MSOSH) in 2022 (Sunway Pyramid Mall - Gold Class I; Sunway Velocity Mall, Sunway Putra Mall and Sunway Giza Mall - Silver and Sunway Carnival Mall- Bronze). During the year, Sunway Velocity Mall and Sunway Putra Mall were recognised with a Platinum and a Silver award respectively at the Best Experiential Marketing Award by Malaysia Shopping Malls Association (PPK Malaysia).

Please see page 16 for more information on the Property Investment and REIT division's awards & accolades.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements



Sunway Carnival Mall in mainland Penang

Enhancing ESG

From pioneering a smart parking system, to introducing composting and recycling across its business partners to optimising energy usage; the division has been reducing both its carbon and waste footprint across its malls.

Sunway's Property Investment and REIT division continued to demonstrate its commitment to the Group's sustainability agenda by deepening its ESG practices across the supply chain to forge collaboration with business partners, and reduce its environmental impact. This led to the launch of the Sunway Green Lease Programme for Sunway's malls and office tenants. Currently, 30% of Sunway's mall tenants have committed to the Sunway Green Lease Partnership Programme, with a target to achieve 100% by 2030. Sunway's malls is the FIRST amongst the malls in Malaysia to incorporate a green clause as part of its Green Lease in its effort to encourage retailers to adopt sustainability practices.

The retail segment is also incorporating green procurement to catalyse sustainable consumption and production of green technology products and services. Beginning 2023, the segment will select suppliers, contractors and vendors who share similar values with Sunway to be its partners in the coming years.

In recognising the need for sustainable and resilient food security, the malls introduced urban farm to reduce carbon footprint by cutting distance from farm-to-fork and eliminate the use of chemical pesticides. This urban farm is already in operation in Sunway Pyramid Mall and will be introduced in Sunway Velocity Mall and other malls progressively.

Sunway has also installed photovoltaic (PV) solar panels at most of its properties, the latest being Sunway Carnival Mall, which has installed PV solar panels at the car park rooftop. Additionally, the new wing of Sunway Carnival Mall successfully obtained a Provisional GreenRE Gold Certification in August 2022.

Commercial Segment

Despite the challenges and headwinds, the commercial segment remained resilient and sustained its performance in FY 2022 on the back of stable average occupancy rates driven by the AMI and AEI strategies.

In FY 2022, Sunway Tower successfully secured Sunway XFarms as its new tenant in the building with a 37,000 sq ft commitment across three floors for its indoor urban farm, increasing the tower's occupancy rate to 27% in FY 2022. The inclusion of XFarms will serve as a catalyst to attract similar and complementary businesses from the agritech sector to share a space next to XFarms and drive further improvements in building occupancy.

Future Orientation

Going into FY 2023, the operating environment is expected to continue on its current trajectory. The division will continue to focus on asset enhancement efforts to drive its revenue and property yield growth.

Planned AEIs for the retail segment include the continued rejuvenation of the malls' spaces, car parks and amenities and increase the use of smart digital initiatives such as implementation of the cashless parking system, installation of digital LED screens and EV charging stations to provide an immersive retail experience and increase future yields.

At the same time, the division will focus on finding the right breadth and depth of tenant mix in each mall to continuously improve footfall, frequency of visits, longer stays, and sales performance. This tenant mix will be tailored to suit the evolving needs and preferences of the customers, providing a wide variety of options that cater to different demographics and interests, and create engaging and attractive retail environments to drive the performance of the malls.

The retail segment is also working on two new malls in the northern region, which are still in the early stages of development, with planned NLA in the range of 1 million sq ft. Combined with a few in-the-planning retail developments in the central region, the retail segment is expected to grow its assets to 12 physical malls in the next five years to be among Malaysia's largest mall owner-operator.

Other strategic priorities for the Commercial segment include further AEI planned for its office buildings with various

initiatives to refresh and modernise the building aesthetics, addition of more green building features, improve fire safety and building security, introduce advancements in technology and other upgrades to support efficient resource management and improve tenant experience. The division will also undertake to reconfigure some existing office spaces into common meeting rooms and introduced co-working spaces concept to cater to current trends.

The segment will continue to pursue dynamic marketing strategies such as attractive pricing and complementary services packages for its portfolio of buildings to drive higher building rental and maintain occupancy.

In 2023, the commercial segment looks forward to the completion and opening of new commercial buildings namely Velocity two Office in Sunway Velocity Kuala Lumpur, Wisma Sunway in Sunway City Iskandar Puteri Johor and Sunway REIT Industrial PJ 1 in Kelana Jaya Selangor with a combined NLA of close to 1 million sq ft.

The continued strong performance from the retail malls is expected to sustain the division's performance moving forward while the commercial segment focuses on building refurbishment efforts to enhance its competitiveness in the office space.

Additional information on REIT-related performance and outlook are discussed in detail in Sunway Real Estate Investment Trust's Annual Report 2022.



Sunway Velocity Mall at the heart of the integrated development of Sunway Velocity in Cheras, Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

LEISURE



Sunway Lagoon Night Park, a collaboration between Sunway Lagoon and Farm Fresh Malaysia

Operating Environment

Since the reopening of the social and local tourism-related activities in the last quarter of 2021, visitorship to the Leisure division's theme parks have recovered to over 60% of pre-COVID levels in FY 2022. Majority of the visitors are still domestic tourists due to the slow reopening of international borders. The number of international flights into Malaysia were also limited but is gradually increasing.

The removal of pandemic restrictions in FY 2022 heralded a recovery in overall market sentiment and consumer confidence, which saw more events and concerts held at the theme parks during the year which boosted the profitability of the division. Nevertheless, consumer spending remained cautious due to inflationary pressures and economic uncertainty.

The division continue to face increasing competition from new theme parks and entertainment sectors which opened during the year, as well as manpower challenges in attracting, retaining and training its talents. Higher operating cost was registered in FY 2022 as a result of inflation, higher electricity tariffs and also due to the increase in the minimum wage in Malaysia. Although this has impacted the division's bottom-line, the increase in the operating cost was nevertheless still manageable.

Climate change is having a considerable impact in Malaysia. A higher number of rainy days were noted in FY 2022, which has affected the division's business and is likely to grow in frequency in the coming years.

Strategic Response

The Leisure division formulated various travel and holiday packages in collaboration with other Sunway business units to capture the growing demand for leisure activities in the post-pandemic economy. With the economic activities resuming during the year, the division continued its focus on achieving targeted outdoor concerts and events booking for its theme park venues.

New facilities and attractions at the theme parks were strategically developed over the last two years to create a new revenue stream for the division. In November 2022, the Leisure division unveiled Sunway Lagoon Night Park, designed to extend the multi-award winning day park experience. The new night park taps into the same underserved after-hours leisure activity market that drove the success of the Camp Out! and glamping activities introduced in 2021, which offers camping and glamping tents for visitors to stay overnight at the theme park. Sunway Lagoon continued to promote these activities in FY 2022 alongside the new night attractions.

Strategic partnerships with reputable brands were also formed to support the launch of the new experiences, leveraging on shared strengths to increase the theme parks' brand exposure and widen its reach to new untapped markets.

Key among these partnerships was a joint venture with Farm Fresh, Malaysia's largest dairy manufacturer, with whom Sunway Lagoon theme park collaborated with to develop the Wild Wild West-themed Night Park. This partnership allowed Sunway Lagoon to combine its multi-faceted leisure and entertainment elements with Farm Fresh's advanced educational components for a fun and interactive learning experience, particularly at the "Education Zone" and "Farm Fresh Milking Experience Zone." The Sunway Lagoon Night Park features rustic makeshift mini cow barns and buildings

inspired by the Old West, complete with real life cows and a slew of attractions and activities designed to bring visitors' childhood cowboy fantasies to life. Visitors to the night park can also experience the thrill of exciting rides such as the Rapid River, Colorado Splash, Butch Cassidy, Vultures, Carousel, Wagon Wheel and Lost City of Gold.

In February 2022, the Leisure division launched the Sunway Theme Park ("STP") Studios, an in-house production house to curate activities, videos and online live events for the theme parks to connect and engage with its guests and stakeholders, and further enhance brand loyalty. Besides diversifying into production, the division also sought partnerships with retail brands and food and beverages outlets to produce the theme parks' own merchandises and products which can be purchased at the theme park's shops such as soy sauce, instant white coffee and instant cup noodles. Sheldonet also opened its first theme park store in the region at Sunway Lagoon, offering quality collectibles featuring Funko Pop, 52 Toys and other famed figurines.

Operationally, the pursuit of digital transformation continued to take priority, with a range of initiatives introduced to enhance internal productivity and customer satisfaction. Some initiatives taken are by increasing the usage of digital forms and process automation such as the rides checklist and technical requisition form, and by integrating the theme parks' booking application into the Sunway Super App, a one-stop customer platform to provide direct ticket purchasing function for visitors and a single payment point via Sunway PALs which is directly linked to the accounting system for faster capture of information.

Please see page 42 for more information on the Leisure division's Strategic Snapshot.



One of the exciting rides at Sunway Lagoon Night Park

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements

The operating performance for the Leisure division has recovered significantly from the low base experienced in FY 2021. Park visitorship numbers has increased 167% to 1.6 million from a low of 0.6 million in FY 2021, with a combined park size of 128 acres.

Sunway Lagoon Theme Park

The Sunway Lagoon Night Park, glamping and Camp Out! attractions at Sunway Lagoon were very well received and exceeded the division's expectations. In October 2022, the theme park revived its Nights of Fright scare fest activities which was the largest horror-themed event which featured 8 haunted house attractions, theatre show, street stage shows and roaming scare actors encounters for a park-wide horror experience.

Sunway Lagoon launched the SDG Walk promenade in FY 2022 to showcase the best sustainable efforts practices at Sunway Lagoon. The promenade features the man-made floating gibbon island made out of upcycled waste material and also a recessed walkway into the lake where guests are able to feed the myriad species of fishes that can be found at the lake.

Sunway Lagoon played host to a few major concerts and events towards the end of the year such as the Good Vibes Weekender concert which featured a selection of internationally acclaimed artists and beloved local acts, the Watsons Zumba Fest, American hip-hop sensation Russ Vitale concert and the Grand Wave New Year Countdown 2023.



First Sheldonet (Theme Park Store) located at Sunway Lagoon Theme Park



A special performance by STP Studios

Highlights and Achievements

Sunway Lost World Of Tambun

Sunway Lost World Of Tambun welcomed the return of theme park visitors in FY 2022 with the introduction of the Halloween Screamfest experience offering 6 interactive experiences and 7 rides during the month of October and held the Still Alive Countdown Festival on new year's eve to ring in the new year with performances by DJs and artists from the Southeast Asia region to celebrate 2023 with the parks' guests.

Following the first-ever animal wedding in April 2021 of the theme park's resident hippopotamuses, Jiwang and Juwita, in June 2022, the park celebrated the birth of their new baby hippo with a traditional Malay Muslim ceremony called Majlis Berendoi. A contest was also held on the theme park's social media to name the baby hippo, with the name "Jaguh" taking the win.

STP Mega Roadshow

The first mega roadshow since the reopening of the economic sector was held in February 2022 in collaboration with some of the other Sunway Business Units. Together with 50 authorised travel agents, the 5-day event spanning Kuala Lumpur, Penang and Johor Bahru offered unbelievable vacation packages, deals, and promotions from the Sunway brands, and other homegrown brands loved and supported by Malaysians throughout the years. The hybrid event which enabled both offline and online transactions managed to garner over RM2 million revenue in just 5 days, and is now an annual feature event of the Leisure division.

Awards and Recognition

The reopening of the theme parks back to full capacity improved employee engagement tremendously. The division's continued focus on talent management, particularly in terms of retention amid the pandemic, received a strong boost of confidence in FY 2022. The division secured numerous accolades on the talent front, including the Graduate Choice Award and the Best Of The Best Employer in Malaysia award by Kincentric, further cementing the division's appeal as a preferred employer amongst all industries.

Sunway Lagoon theme park is the first theme park in Asia to win the Community Initiative Award 2022 at the 2022 Asia Corporate Excellence and Sustainability (ACES) Awards, which honours inspiring leaders and cross-industry sustainability advocates across Asia. The theme parks' efforts in sustainability conservation were also recognised with both Sunway Lagoon and Sunway Lost World Of Tambun receiving recognition from the Malaysia Tourism Industry Award 2022 for Tourism Icon and Sustainability Tourism for Nature respectively. Further, at the Putra Brand Awards 2022, Sunway Lagoon also received a Bronze medal as one of the top brands in the People's Choice Award in Entertainment category. These awards are testament to the resilience of the Leisure division throughout the pandemic.

Please see page 17 for more information on the Leisure division's awards and accolades.

Future Orientation

With Malaysia's tourism industry on the recovery track, the leisure sector is poised for further growth in 2023 with the resumption of China's outbound tourist arrivals and sustained domestic tourism demand. Nevertheless, the pace of recovery will be tempered by lingering global geopolitical and economic headwinds.

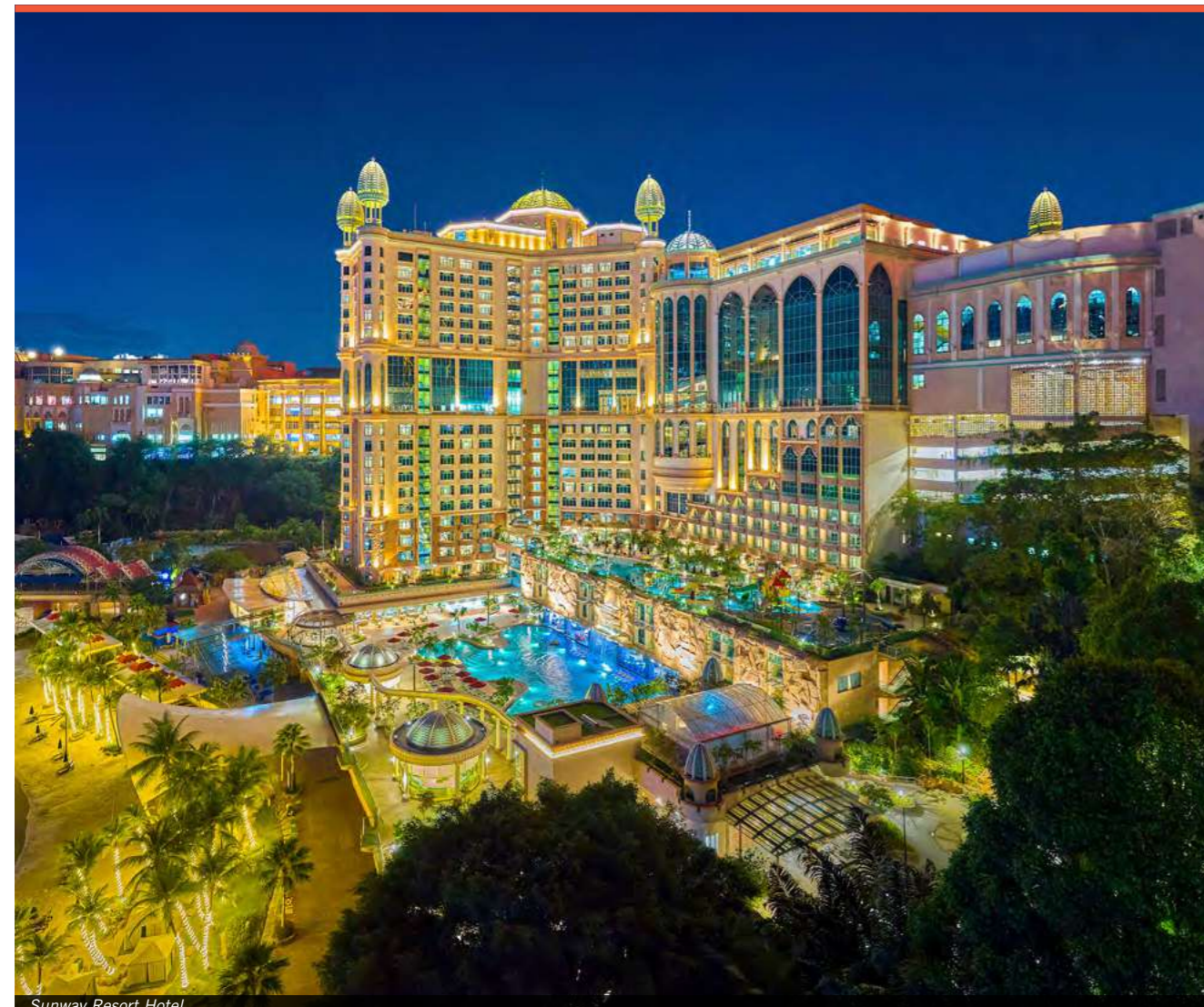
Sunway's Leisure division intends to continue its current track of partnership network expansion to leverage on shared strengths with established brands and the Group's companies towards mutual enhancement of brand value and the creation of new markets.

With rising competition, the theme parks will continue in its park enhancement efforts, prioritise resource allocation and talent upskilling. The Leisure division will also take a guest-centric approach to the development of new activities and attractions to sustain and increase visitorship numbers while ramping up digital transformation and adoption to ensure Sunway's theme parks continue to thrive in an ever-evolving market.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

HOSPITALITY



Sunway Resort Hotel

Operating Environment

Overall, FY 2022 was a year of recovery for the Hospitality division. Following Malaysia's transition to the endemic phase, the division saw an encouraging increase in occupancy, driven mainly by domestic tourism and demand for short staycations. While international tourism began to recover after the reopening of borders in April 2022, the pace was slower compared to pre-pandemic levels largely due to a low number of inbound flights. Domestic leisure and business travel, as well as Meetings, Incentives, Conventions, and Exhibitions ("MICE") activities, also showed improved performance.

However, the recovery of the Phnom Penh and Hanoi hotels in FY 2022 were hampered by limited international flights

and cautious approach from traditional wholesale leisure groups from the US and Europe.

Operationally, the division faced continued labour shortages and higher prices of raw materials due to inflationary and supply pressures, resulting in a spike in overall operational costs from higher food and beverage costs and higher interest costs. The implementation of the new minimum wage in Malaysia also contributed to the increase in operational costs. Staffing challenges were compounded by increased competition from other industries offering better work flexibility, rendering the division to hire foreign workers and talents from other industries to fill the gaps which could impact customer service quality.

Strategic Response


Given the slow recovery of international tourism, Sunway Berhad's hospitality division focused its efforts on the domestic market in Malaysia in FY 2022, particularly the local staycations and local government meetings, as well as targeting intra-ASEAN travellers, especially from Singapore. Efforts were made to increase occupancy rates through seamless channel management and yield maximisation management on a daily basis. To achieve this, the division continue to promote its Book Direct & Save website application, aimed at providing guests with more benefits, flexibility and peace of mind compared to other websites. The division also offered flexible group travel rates for volume room nights bookings for foreign tour groups.

In addition to these efforts, the division aggressively pursued domestic and international-level MICE events with the aim to build new markets. To support this, the division appointed new hotel representatives in Singapore and Dubai to promote Sunway's hotels and provide international visibility to the hotels in these markets.

Through it all, Sunway Resort Hotel focused its attention on the ongoing transformation of the hotel and welcoming guests to new experiences which included brand new rooms and suites, technology-driven customer experience solutions, and the opening of a new celebrity-chef dining destination restaurant.

The other hotels also took this opportunity to revamp or upgrade their facilities to cater to customers' demands. Sunway Clio Hotel was renamed Sunway Lagoon Hotel to leverage the strong brand recognition of the leisure destination.

Leveraging on digital transformation to further streamline operational efficiency, Sunway Putra Hotel Kuala Lumpur implemented the Adyen payment gateway for online bookings. The hotel also reviewed and converted most of its human resources and finance processes to e-processes, thus reducing paper usage. Several marketing initiatives were pursued to drive bookings, including geotargeted advertising campaigns, digital advertisements at selected office buildings and MRT stations, sponsorships of events and fashion shows, and logo placements in marketing collaterals resulting in significant exposure via social media platforms.

 Please see page 43 for more information on the Hospitality division's Strategic Snapshot.



Gordon Ramsay Bar & Grill Sunway City Kuala Lumpur

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Highlights and Achievements

Operational Highlights

Overall, the Hospitality division registered higher room profits due to the strategic push for higher occupancy via seamless channel management. In FY 2022, the implementation of the Book Direct & Save application via the division's hotel website, led to an increase in internet booking engine ("IBE") sales and allowed the division to save on commission costs. Prudent manpower resource management and cost savings initiatives implemented also helped uplift staff morale, operational efficiency and increased the division's profitability.

Strong marketing campaigns to promote the hotels' service offerings also saw increased revenue contribution from the division's F&B segment and higher room profits from the MICE sector. Additionally, the success of the strategies implemented also helped to enhance Sunway's brand reputation in the industry as well as the value of its portfolio of hotels.

Sunway Resort Hotel, Sunway Pyramid Hotel and Sunway Lagoon Hotel, Sunway City Kuala Lumpur

The first phase of the USD60 million 'once-in-a-generation transformation' of Sunway Resort Hotel that began in early 2020 was unveiled in FY 2022. The hotel welcomed its first guest on 1 May 2022 and on 10 August 2022, unveiled eight brand new rooms and suites categories which includes the Deluxe Room, Grand Deluxe Room, Club Room, Business Suite, Wellness Suite, Executive Suite, Premier Suite and Sunway Grand Suite.

Cutting-edge technological solutions were also implemented throughout the property to enhance every aspect of the guest experience from contactless check-in and keyless room entry for seamless arrival process, to in-room technology touches such as motion sensor night lights, internet-connected televisions and telephones, and in-room smart service application to control room amenities such as curtain and room lighting adjustment at a touch of a button. The hotel also rolled out "iButlers", a room service smart gadget to provide assistance to set up devices, offer demonstrations and deliver nifty gadgets like Harman Kardon headphones and sound bar.



Family Fun Suite features a separate entertainment zone for the family

As sustainability is a driving philosophy at Sunway, many of the hotel's high-tech upgrades, such as advanced air-conditioning systems, smart curtains, solar panels and motion-sensor LED lighting, serves to further improve energy efficiency. The use of plastic bags has been discontinued and an urban hydroponic farm by Sunway XFarms supplies healthy, farm-fresh produce to Sunway Resort hotel's restaurants.

New to Sunway Resort Hotel in FY 2022 is the most anticipated dining experience in Asia, Gordon Ramsay Bar & Grill in Sunway City Kuala Lumpur, which opened its doors on 18 June 2022. This is the iconic British chef's inaugural restaurant in Malaysia and the first Gordon Ramsay Bar & Grill outside the United Kingdom. The Multi-Michelin-starred chef and television personality Gordon Ramsay also made a very special appearance at Sunway City Kuala Lumpur on 8 December 2022 to visit the new restaurant, engaging with his young Malaysian culinary team in the kitchen, the media and esteemed guests at a private cocktail event at the restaurant during his 24-hour visit.

These achievements were key contributions for Sunway Resort Hotel being voted "Best Upscale Hotel" at Travel Weekly Asia Readers' Choice Awards 2022. In the year under review, Pyramid Hotel also received TripAdvisor's 2022 Travellers' Choice Award.

As part of the hotel's transformation, Sunway Resort Hotel underwent a rebranding exercise which included a reimagining of its iconic swan logo, applied across all collaterals. The next phases of Sunway Resort Hotel's dramatic transformation will be progressively revealed in 2023, where guests can expect more themed suites, dedicated family spaces, exciting new dining destinations, reimagined leisure facilities including the swimming pool, health club and more.

Please see page 17 for more information on the Hospitality division's awards & accolades.

Highlights and Achievements

Other Hotels

The implementation of technology-driven solutions at Sunway Putra Hotel Kuala Lumpur has helped to ensure online bookings are paid in full, while the marketing push through event partnerships with Shopee, Tourism Malaysia, and Malaysian Association of Hotels (MAH), daycation promotions, and aggressive advertising initiatives have led to a significant increase in bookings.

Sunway Velocity Hotel successfully introduced new categories of room, namely Executive and Junior Suite, to cater to its customers' demands for extra comfort.

At The Banjaran Hotsprings Retreat, four Grand Garden Villas were renovated and launched in early 2023 to provide a luxurious stay experience. The Retreat also looks forward to the unveiling of a new Royal Villa towards the end of 2023 which will elevate the Banjaran brand as a luxury retreat.

Sunway Hotel Seberang Jaya, Sunway Hotel Georgetown and Sunway Big Box Hotel have implemented the new Self Check-in Kiosks which allowed swift check-ins and electronic payments, thus optimising the manpower at the hotels.

Meanwhile, the outsourcing of certain hotel services at Sunway Big Box Hotel helped to streamline the hotel's operational efficiency and resource allocation.

Outside Malaysia, both Sunway Hotel Phnom Penh and Sunway Hotel Hanoi are undertaking improvement initiatives to enhance facilities and processes.

Future Orientation

Barring any major economic or geopolitical set-backs, the division is optimistic of better prospects for the hospitality segment in FY 2023 as the tourism sector recovers. Key priorities going forward include focusing on performance turnaround, strengthening digital presence, defending our domestic market share while driving regional growth, and pursuing more MICE business events. Simultaneously, the Hospitality division will also look to launch new product and service offerings to target new untapped markets to fill room inventory. Adjustments will also be made on the working hours to ensure compliance with new employment regulations and enhance its talent recruitment competitiveness.

Dynamic room pricing and effective room management will be key in driving the division's performance turnaround, with an aim to exceed pre-COVID levels and recuperate losses from the pandemic's financial impact in FY 2020 and FY 2021. This includes offering "Service-on-Demand" rooms where basic entry-level rooms are provided and day passes to use certain hotel amenities such as pool and gym facilities

Sustainability Initiatives

Sunway's Hospitality division continued to pursue sustainability initiatives in FY 2022 to minimise its environmental impact.

One such initiative which was implemented since September 2021 was to replace all single-use hotel brand shampoo, conditioner, and body gel with larger, refillable bottles with pump dispensers. This has reduce the usage of single-use plastic and cardboard packaging.

The hotels are also exploring the removal of laundry bags in the room and to replace it with baskets to significantly reduce the use of plastic. Unusable bedsheets will also be repurposed into laundry bags.

Furthermore, Sunway's Hospitality division continued its efforts to recycle used cooking oil in FY 2022, recycling more than 12,000 kilograms of used cooking oil to-date. The recycled cooking oil is transformed into valuable new resources that contribute to a more sustainable world. All processed cooking oils are utilised as ingredients to produce renewable diesel – a cleaner alternative to petroleum fuels, capable of reducing carbon emissions.

At The Banjaran Hotsprings Retreat, eco-friendly glass water bottles in the rooms have replaced single-use plastic water bottles.

These initiatives demonstrate Sunway's Hospitality division's commitment to sustainability and reducing its environmental impact.

and housekeeping services and F&B items can be purchased when needed. The establishment of a community area for networking and relaxation will appeal to new target markets. The use of social media platforms, electronic direct marketing and promotional partnerships will help to strengthen the hotels' brand exposure and establish market relevance in key target growth areas.

In the post pandemic operating environment, the division also sees growth in the domestic market share to be driven by travel deals and holiday packages offered via IBE for business and leisure travels, while the share of revenue contribution from foreign travellers will be realised through the introduction of targeted packages for the ASEAN regional markets.

The division will continue to allocate resources to better capture the larger scale business and networking events in the MICE market.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

TRADING AND MANUFACTURING



Dongfeng's EC31 electric pickup truck and EC35 electric panel van to reduce carbon footprint with zero tailpipe emissions

Operating Environment

Although the operating environment of the Group's Trading and Manufacturing division saw a marked recovery in FY 2022, the division was not spared from the lingering effects of the pandemic on global supply chain dynamics, particularly at the beginning of FY 2022 when the persistent shortage of shipping containers led to longer delivery lead time for its shipments.

This has raised the cost of maintaining inventory levels of equipment, machineries and industrial products and thus eroded profit margins as selling prices were contracted before the shipment delays. The higher operational costs were also compounded by inflation, multiple rounds of interest rate hikes, stronger US currency and higher commodity prices. Similar factors affected the capital expenditure considerations of the division's customers, which primarily operate in the construction, marine, oil and gas, mining and agriculture sectors.

Furthermore, the Trading and Manufacturing division's operations in China was also adversely affected by China's zero-COVID policies that remained in effect for most of FY 2022, as well as the 2 months of lockdown in Shanghai which disrupted supply chain efficiencies. Continued labour shortage in the local construction sector for much of the year had impacted sales of the division's products

due to project delays, while the slower than expected recovery of the economy in general stalled demand from other sectors.

Strategic Response

In addressing its logistical challenges, the Trading and Manufacturing division adopted a two-pronged approach.

Firstly, the division expanded its inventory levels to ensure continued availability of its products to meet customers' demand. Though this has resulted in an increase in the cost of sales and stressed profit margins, the move was deemed necessary to ensure timely delivery to the division's customers and retain its reputation as a trusted business partner. The division managed to adjust selling prices for certain products in the latter half of the year to mitigate the escalation in cost and readjust its profit margin.

Additionally, the Trading and Manufacturing division has been actively sourcing for more environmental-friendly products to add to its distribution portfolio in line with the increased awareness of climate change impacts with the aim to reduce businesses' contribution to global emissions.

Furthermore, during the year, the division pursued improvement initiatives to enhance its market competitiveness while supporting the Group's ESG requirements. This led to the setup of an Occupational Safety and Health (OSH) department at its warehouses in USJ 1 and Rawang to better manage operational safety matters for the wellbeing of its employees.

Please see page 44 for more information on the Trading and Manufacturing division's Strategic Snapshot.

Highlights and Achievements

With the exception of its China's operations, all the businesses in other countries, including Malaysia, saw improvements in FY 2022.

The division's sustainability thrust also proved timely and strategic in addressing the increasing market demand for climate-conscious and environmental-friendly industrial products such as solar panels, EV commercial vehicles and green-powered forklifts. This allows the division to strengthen its foothold in this niche and high-potential market segment, thus generated higher sales. New product lines introduced in this respect include lithium-ion battery-operated forklifts, EV mini vans, as well as solar panels and EV-powered trucks, which saw increased take-up in terms of sales and rental.

The introduction of the new OSH department was also effective in increasing safety consciousness amongst the division's staff and workers, enabling the respective warehouses to pass their safety and health audits while reducing the impact of lost-time incidences on plant productivity levels in FY 2022.

Future Orientation

Looking into 2023 and beyond, supply chain resiliency will remain a key factor behind the division's performance. The uncertain economic environment, supply chain and logistical bottlenecks, cost and inflationary pressures, and labour shortage will continue to cause headwinds for the trading and manufacturing division's post-pandemic recovery.

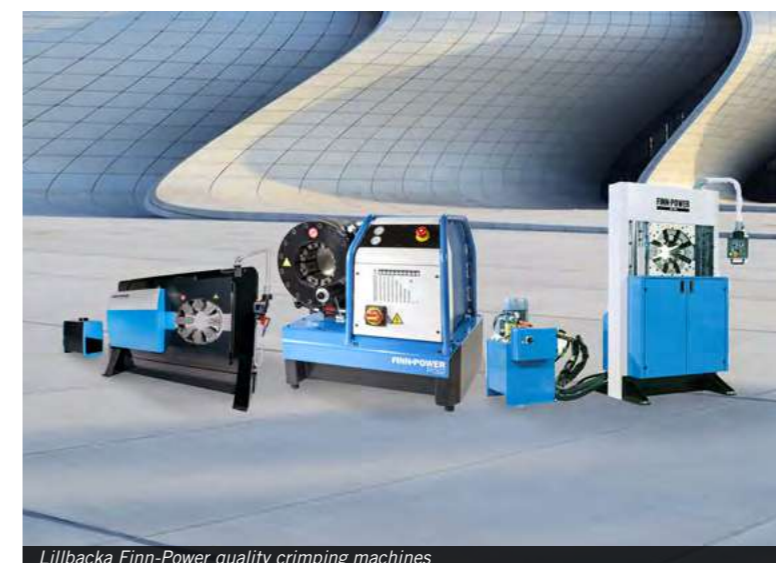
Among the key focus areas prioritised for strategic investments is the expansion of the environmental-friendly line of products, particularly focusing on the launch of the new Dongfeng EV models of commercial vehicles in FY 2023. Funds have been allocated to import more stocks of the new EV vehicles to generate sales from this high-potential growth area alongside Dongfeng's conventional internal combustion engine models.

Further, warehouse efficiency enhancement measures are being planned, which include a capital expenditure of approximately RM20 million earmarked for the implementation of Automated Storage and Retrieval System ("ASRS") at the new Winstar warehouse to reduce its space and headcount requirement by 2025.

A new Route Optimisation and Fleet Management System will be implemented to automate the delivery route management process using live location tracking to maximise the efficiency of the company's fleet of logistic vehicles. This new system will be able to help the division derive fuel savings and lower its carbon footprint.

Additionally, the division will also be launching a new Mobile Ordering Application, which will allow its customers to place their orders directly through the application in line with the Group's objective to increase the utilisation of digital process management tools. The automation of the ordering process will improve the accuracy of orders and also reduce the administrative tasks for the sales team, freeing up more time for customer engagement and relationship building.

At the same time, growth and expansion remain high on the division's agenda in view of the long-term prospects of the sector. The division continues to be on the look-out for potential merger and acquisition opportunities that will increase its market share and expand its reach to new markets in line with the division's sustainable value creation ability.



Lillbacka Finn-Power quality crimping machines

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

QUARRY



Compacting road works in progress

Operating Environment

In FY 2022, there were several factors that impacted the quarry industry directly and indirectly such as labour shortages, lower road maintenance projects and higher raw material costs, which resulted in higher production costs and eroded profit margins. Productivity was also impacted by the increase in climate-related impacts such as floods and landslide which hampered the production of aggregates.

The resumption of most economic activities following the easing of containment measures under the National Recovery Plan since October 2021 has enabled the quarry division to progressively catch up on its delivery backlogs.

The quarry division's sales was also affected by the delay in the roll out of road maintenance projects during the year as well as a reduction in the number of road maintenance and construction projects. The higher price of crude oil and critical labour shortage have impacted and reduced demand for the division's products such as aggregates and premix.

Strategic Response

To address productivity challenges, the division worked on upgrading and improving the efficiency of existing crusher plants while also exploring new quarry sites in other regions in Peninsular Malaysia to increase the quarry production capacity and market share through mergers and acquisitions.

The division also looked to maintain its premix market leadership position by focusing on introducing innovative products to address industry challenges. To that end, the division focused on research and development ("R&D") to design special premixes with better durability to withstand climate-related weather changes.

Recognising the effect of climate change on the quarry operations and in support of the Group's sustainability ambitions, the division remains committed towards environmental sustainability and aims to be the most efficient premix plant operator with the lowest CO₂ emission. Plans were put in place to ensure quarry site's commitment with initiatives to improve fuel oil consumption and explore fuel oil substitutes.

Digital transformation initiatives were also prioritised to support the implementation of these strategies. The division worked on developing a digital application system to monitor and manage new premix design requests towards improving process efficiency and facilitate standardisation. The new system is designed to streamline the management of requests from the marketing department and facilitate the tracking and monitoring of approvals and lab reports automatically, with a target completion in the second half of 2023.

Please see page 45 for more information on the Quarry division's Strategic Snapshot.

Highlights and Achievements

As the division's quarry and asphalt manufacturing operations were able to operate as usual in FY 2022, the division have seen higher revenue achieved on the back of higher sales volumes and selling prices of aggregates and premix. However, the challenging operating environment and the spike in raw material prices have eroded profit margins.

The division also upgraded one of its existing crusher plants in Kuala Kangsar during the year under review, which is expected to increase its production capacity by 30%, to support the nearby premix plants' production ability to meet the demands in the Northern region.

Additionally, the division collaborated with various agencies to innovate and produce a special mix with high durability to meet the emerging demand for climate-resilient products and support the Group's ESG ambitions.

Future Orientation

As a whole, Malaysia's aggregates and premix industry is optimistic of a positive outlook for 2023, driven by a resumption in construction and road maintenance projects rollout as the economy and supply chain continues its post-pandemic rebalancing. Labour shortage challenges have gradually eased off in the latter half of 2022, further supporting the growth of the industry. However, demand and profit margins will continue to face headwinds from the significant increase in raw material prices and more competitive selling prices.

The division's priorities going into 2023 is aimed at maintaining its market leadership, exploring new growth opportunities, and investing in R&D and digitalisation to drive innovation, efficiency, growth and overall competitiveness, while sustainability will continue to take centre stage. The division also aims to improve customers' experience by focusing on cost management, providing quality assurance through the maintenance of ISO 9001:2015 certification, quality product innovations to cater for untapped market demand and ensuring timely deliveries.

The division strives to be the market leader in asphalt manufacturing and aggregates producer in high growth areas and continue to look for ways to diversify its income stream and support business expansion. To that end, the division aims to strategically locate new asphalt manufacturing plants along major highways and introducing batching plants with flexibility in manufacturing special mixes to capitalise on opportunities in the area. At the same time, the division will continue to explore M&A opportunities to bring on-board new quarries to drive aggregates business growth in

its existing markets and in other regions. The division also plans to continue pursuing productivity initiatives, focusing on usage of hydrocarbon products for asphalt production and minimising aggregates production downtime by rectifying technical fault through knowledge sharing among the Group's technical experts.

Innovation will continue to be driven by an emphasis on R&D to design and develop new and more competitive product offerings, particularly in exploring the feasibility of producing special mixes, as well as other digital and technological transformations to improve profit margins, increase operational effectiveness, plant security and compliance. Key initiatives identified under this thrust include the potential implementation of drones' technology at sites to improve quarry safety, conduct stockpile survey and monitoring of the rockface and quarry perimeters and the implementation of a real-time premix temperature remote monitoring to enable faster and more efficient temperature control which will lead to lower fuel consumption and consequently, lower carbon emissions.

Other sustainability priorities explored by the division includes the usage of solar panels at site office and at all quarry sites, and applying for the Malaysian Government Energy Audit Conditional Grant (EACG 2.0) application at selected sites to identify energy savings opportunities. Aside from the environmental focus, the division will continue to invest in its human capital to attract and retain talents and increasing staff development through trainings to support future growth and succession planning.

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

BUILDING MATERIALS



Eurotiles - Fontana



Prime Pavers

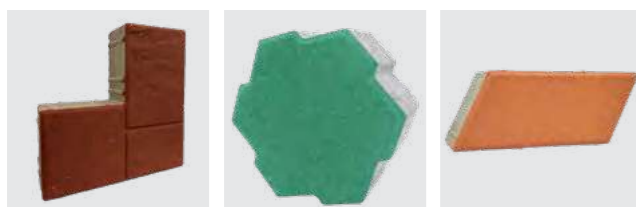
Operating Environment

At the beginning of FY 2022, the operating environment for the Building Materials division was challenging due to the slow recovery of business activity from the impact of the COVID-19 pandemic. The slowdown in the construction sector and delay in the roll-out of planned mega infrastructure projects impacted the division's business due to the volatility of demand from its customers.

The pandemic has caused disruptions to the worldwide supply chain, resulting in shortages of raw materials and rising raw materials and transportation costs, including gas, fuel, cement, steel, and other materials. Additionally, the acute shortage of labour further impacted the operating environment. However, the situation improved in the later part of 2022, especially with the easing of restrictions for recruiting foreign workers.

Despite the headwinds, the Building Materials division continued to adapt and persevered through proactive measures taken to mitigate the impacts of the pandemic and other external factors.

Fortunately, Sunway's investment into technology adoption over the years allowed the division to adapt well to changes in work processes due to pandemic restrictions that persisted at the beginning of FY 2022.



Primelock
Improved locking properties

Hexalock
Improved locking properties

Ezypave
New design

Strategic Response

The Building Materials division responded proactively and strategically to address the challenges posed by the operating environment in FY 2022, particularly in strengthening engagement with key stakeholders such as government authorities, suppliers and customers to stay updated on markets changes and project needs, enabling it to plan and strategise to stay ahead of the competition.

To manage the inflationary costs of raw materials and labour, the division adopted a multi-faceted approach. While some costs can be transferred to customers, higher emphasis was placed on research and development, focusing on cost reduction and product differentiation, such as reducing the consumption of gas, which has allowed the division to lower production costs of vitrified clay pipe ("VCP") and utilisation of supplementary materials in its production of spun piles ("SSP").

Effective cash flow management was also a priority for the division. This was achieved through tight credit control measures, reducing collection periods, and a closer scrutiny of customers' credit status. The division also sought to enhance synergy with the rest of Sunway Group, tapping into its extensive resources and knowledge base to improve networking, efficiency and process improvement.

The division continued its management of ESG actions by embarking on a range of initiatives to reduce its carbon footprint, including research and development, waste management, and process improvement. Additionally, the successful implementation of ISO 45001:2018 across the division's Batang Kali and Senai plants (including the project site and office) in June 2022 have enhanced OSHA compliance.

Please see page 46 for more information on the Building Materials division's Strategic Snapshot.

Highlights and Achievements

These strategies proved effective in allowing the Building Materials division to adapt to changing market requirements while remaining competitive, and saw improved sales conversion for the division's Interlocking Concrete Pavers ("ICP") and Eurotiles products through its engagement with various stakeholders to strengthen their appreciation of the brand's product integrity.

The division's focus on R&D yielded improvements with the roll-out of new proprietary ICP product series, Hexalock and Primelock which features better interlocking properties and a new Ezypave design to cater to market demands.

In addition, the division was able to further differentiate its product offering for ICP, offering products in line with the newly issued MS EN1338:2022 provided by *JKR Arahan Teknik / Spesifikasi Jalan* in FY 2022, while the VCP plant was granted a new specification in Malaysia MS 1061-1:2022 and also certified by TÜV SÜD EN295:2013.

Stringent adherence to ISO 45001 and OSHA compliance as well as the adoption of ESG best practices in process improvement and waste management also led to improvements in the division's workplace safety performance and a stronger sense of corporate responsibility.

The digitalisation initiatives and push for greater group synergy in the year under review was also instrumental in realising improved working processes, speed of communication and data sharing. Utilising collaborative tools as well as ESSA initiatives resulted in reduction of manpower and improved efficiency.

The Building Materials division in Malaysia also scored the highest of all Business Units in Sunway Group on the internal employee engagement Kincentric Survey for 2022.

Future Orientation

In 2023, Malaysia's property and construction market is projected to continue on its current recovery pace due to pent-up demand from new projects launched and projects delayed by the COVID-19 pandemic. In tandem with gradual economic recovery, prices of most building materials have also stabilised in the last few months of 2022.



Sunway Spun Pile (M) Sdn Bhd Plant At Batang Kali, Selangor.



Installation of fully glazed vitrified clay jacking pipes

Sunway VCP Sdn Bhd - fully glazed vitrified clay pipe

Against this backdrop, cost and operational optimisation will remain a key priority towards improving the Building Material division's efficiency and profitability in 2023. The division's performance in FY 2022 demonstrated the resilience of its existing growth strategies focusing on stakeholder engagement, process management and differentiation through quality and innovation. Hence, these will remain key focus areas in 2023, while also pursuing capacity expansion of the spun pile production to meet the anticipated demand.

Through engagement with customers and promoting the integrity and quality of the division's range of product, the division sees strong opportunity to pursue greater conversion and adoption of its ICP product solutions, particularly on federal road and state road maintenance and upgrading as announced in the recent Malaysia Budget 2023. The division intends to continue engaging with the relevant authorities and customers on the adoption of these solutions in 2023.

Additionally, the division is keen to explore potential expansion of its market beyond local borders, and will be participating in regional expos and exhibitions to create awareness of its products in identified new markets while seeking potential business partnership to accelerate market penetration.

With these agile and market-appropriate strategies in place, the division is well-positioned to respond rapidly in the challenging and evolving building material landscape in 2023.

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

TAN SRI DATO' SERI DR. JEFFREY CHEAH FOOK LING AO

Executive Chairman,
Non-Independent Executive Director



AGE 78	GENDER Male
NATIONALITY Malaysian	
DATE OF APPOINTMENT 22 November 2010	
MEMBERSHIP OF BOARD COMMITTEE(S): Nil	
ACADEMIC/PROFESSIONAL QUALIFICATION(S): <ul style="list-style-type: none"> Business and Accounting graduate of Victoria University in Melbourne, Australia 	
PRESENT DIRECTORSHIP(S):	
Private company(ies): <ul style="list-style-type: none"> Active Equity Sdn Bhd and Group (Non-Executive Director) Jef-San Enterprise Sdn Bhd (Non-Executive Director) Sunway Education Group Sdn Bhd and Group (Non-Executive Director) Sunagata Supercars Sdn Bhd (Non-Executive Director) Mc Farren Supercars Sdn Bhd (Non-Executive Director) 	
Non-profit organisation(s): <ul style="list-style-type: none"> Jeffrey Cheah Foundation Razak School of Government Perdana Leadership Foundation Malaysian Industry-Government Group for High Technology 	

Tan Sri Dr. Jeffrey Cheah is the Founder and Chairman of Sunway Group, one of Southeast Asia's leading conglomerates with 13 business divisions across more than 50 locations worldwide. He is also the founder and trustee of Jeffrey Cheah Foundation ("JCF"), the largest of its kind advancing education in Malaysia through a social enterprise model.

An ardent advocate of the sustainable development agenda, accompanied by a deep commitment to giving back to society, his entrepreneurial and philanthropic activities showcase his personal philosophy: that "one must have a higher purpose in life" and that "sustainability and profitability can go hand in hand".

The very founding of Sunway Group is based on the concept of sustainable development. The flagship Sunway City Kuala Lumpur was transformed from 800 acres of tin-mining wasteland into Malaysia's first integrated, green township. It is now home to a vibrant community of more than 200,000 people living, working, learning and playing in a healthy, safe and connected environment.

Canopied walkways and electric buses running on specially designed elevated lanes provide seamless connectivity between its various facilities, which include residences, commercial entities, hotels, three universities, Malaysia's first theme park, a 1,100-bed medical centre and one of Malaysia's largest malls.

By integrating technology even more deeply in its operations, Sunway City Kuala Lumpur aims to become the region's model smart, sustainable city of the 21st century.

Sunway City Ipoh was built upon the principles of preservation and conservation, cradled by 260-million-year-old limestone hills, rainforests and flowing thermal hotspots. Sunway City Iskandar Puteri in Johor, dubbed as Nature's Capital City, offers world-class city living in harmony with the area's natural beauty, such as the seafront facing Singapore across the Johor Straits, the Pendas River and mangrove forests.

Sunway's unique "Build-Own-Operate" model ensures constant value creation and the continued growth of its properties.

The success of Sunway City Kuala Lumpur propelled Sunway Group's growth beyond property development into one of Southeast Asia's leading conglomerates, comprising 13 business divisions, a 16,000-strong workforce and operations in 50 locations worldwide.

Firmly and consistently upholding the core values of Integrity, Humility and Excellence, Sunway, under Tan Sri Dr. Jeffrey Cheah's visionary leadership as well as supported by a highly competent and capable management team, has established a reputation as a trusted brand with an excellent track record for delivering on its promises.

In line with Tan Sri Dr. Jeffrey Cheah's pioneering commitment to sustainability, Sunway embraced the 17 Sustainable Development Goals, or SDGs, adopted by the United Nations in 2015 and has integrated sustainability into all of the Group's business practices and decision-making processes.

Sunway is demonstrating daily that sustainability and profitability can go hand in hand.

Driven by his personal motto of "I aspire to inspire before I expire," it is Tan Sri Dr. Jeffrey Cheah's hope that by walking the talk, Sunway can set an example for other corporations to follow. It is his firm belief that given the state of the planet and its people, implementing the sustainable development agenda is no longer just an option but an urgent imperative and that "we can all do well by doing good".

Tan Sri Dr. Jeffrey Cheah's business success enabled him to realise his lifelong dream of setting up a Foundation dedicated to nation-building and giving back to society.

Rooted in his conviction that education offers the best route out of poverty and misery, he established the JCF in 2010 by gifting it, in perpetuity, his entire stake in the Sunway Education Group ("SEG"). The gift was worth several billion ringgit.

The not-for-profit Foundation owns and governs all educational entities under SEG. It is helmed by an independent and distinguished Board of Trustees under the royal patronage of HRH Sultan of Selangor.

Committed to nation-building by making quality education and world-class expertise affordable and accessible, the Foundation has disbursed scholarships and grants exceeding RM618 million to date. It is Tan Sri Dr. Jeffrey Cheah's personal aim to award several billion ringgit worth of scholarships in his lifetime.

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

The Foundation has also established partnerships with a string of world-renowned institutions that include University of Cambridge, Harvard University, University of Oxford, Massachusetts Institute of Technology (MIT) in Boston, University of California, Berkeley, and Lancaster University in the United Kingdom.

Following a gift that will eventually amount to a total of USD20 million over 10 years, the Foundation entered into a partnership with the United Nations Sustainable Development Solutions Network (“UN-SDSN”) in 2016 that led to the establishment of the Jeffrey Sachs Center on Sustainable Development at Sunway University.

More recently, the UN-SDSN sets up its Asia headquarters at Sunway University. One of only three such global centres, it is tasked with implementing continent-wide sustainability initiatives. The Asia headquarters ranks Sunway City Kuala Lumpur alongside New York City (which oversees Americas) and Paris (with responsibility for Africa and Europe).

Tan Sri Dr. Jeffrey Cheah’s visionary leadership, entrepreneurial endeavours and generous philanthropy have elevated not just his personal profile, but helped burnish the Sunway brand globally. His philosophy that “doing well by doing good”, animates Sunway’s dedicated commitment

to the “3P” bottom line of “People, Planet, Profits” which sets it apart from many other corporations.

Among his other contributions to nation-building, Tan Sri Dr. Jeffrey Cheah was a member of the Economic Action Council which was set up in 2020 and chaired by the Prime Minister of Malaysia. He also serves as a member of the National Agricultural Advisory Council and is a founding trustee of the Razak School of Government, a leadership development institution for the public sector that is named after Malaysia’s second prime minister.

Besides being conferred 12 honorary doctorates by leading universities worldwide, he has also been recognised four times as Forbes Asia Hero of Philanthropy in 2009, 2015, 2019 and 2021. He was appointed Council Member of UN-SDSN in 2013; a member of Harvard’s Global Advisory Council in 2014 and a member of the Committee of University Resources at Harvard in 2015. He was also appointed Officer of the Order of Australia (AO) by the Prime Minister of Australia for his contribution in building bilateral relations between Malaysia and Australia through education, among a long-growing list of accomplishments. In 2018, he was also conferred Malaysian Institute of Management’s (“MIM”) Court of Emeritus Fellow.

Other achievements and appointments of Tan Sri Dr. Jeffrey Cheah include:

2023	<ul style="list-style-type: none"> Awarded Putra Brand Personality of the Year at Putra Brand Awards 2022.
2022	<ul style="list-style-type: none"> Appointed as the Co-Chair of the Malaysian AIDS Foundation Sustainability Advisory Committee.
2021	<ul style="list-style-type: none"> Named Forbes Asia 2021 Hero of Philanthropy for the fourth time (2009, 2015, 2019 and 2021). Conferred Honorary Doctorate of Philosophy by Universiti Kebangsaan Malaysia (UKM).
2020	<ul style="list-style-type: none"> Appointed to Economic Action Council (EAC). Appointed to National Agricultural Advisory Council (MPPN). Awarded Hunayn Ibn Ishaq Unity Award, the first non-Muslim recipient at the Islamic Excellence Awards 1441H/2020A.
2019	<ul style="list-style-type: none"> Appointed chairman of UN-SDSN Malaysia chapter. Awarded the Asian Leadership Award by Asian Association of Management Organisations (AAMO).
2018	<ul style="list-style-type: none"> Awarded MIM Court of Emeritus Fellow.
2017	<ul style="list-style-type: none"> Awarded the ASEAN@50 Lifetime Achievement Award by ASEAN Business Advisory Council Malaysia. Awarded the inaugural Sustainability Icon Award by Ratings Agency of Malaysia.
2016	<ul style="list-style-type: none"> Recipient of the Victoria University Distinguished Alumni Award. Awarded the Channel News Asia Lifetime Achievement Luminary Award 2016.
2015	<ul style="list-style-type: none"> Founding Chair for the Malaysian 30% Club. Conferred Honorary Fellow by the Institution of Engineers, Malaysia (IEM).
2014	<ul style="list-style-type: none"> President’s Award by Malaysian Institute of Planners (MIP).
2013	<ul style="list-style-type: none"> Appointed as Council Member of UN-SDSN.
2012	<ul style="list-style-type: none"> Appointed as Permanent Honorary President to the Federation of Hakka Associations Malaysia, in appreciation of his invaluable contributions to the Associations.

DATO’ SRI IDRIS JALA

*Non-Executive Co-Chairman,
Independent Non-Executive Director*



AGE	GENDER
64	Male
NATIONALITY	
Malaysian	
DATE OF APPOINTMENT	
11 August 2017	
MEMBERSHIP OF BOARD COMMITTEE(S):	
Nil	
ACADEMIC/PROFESSIONAL QUALIFICATION(S):	
<ul style="list-style-type: none"> Masters Degree in Industrial Relations from Warwick University Bachelor Degree in Development Studies and Management from University Sains Malaysia 	
PRESENT DIRECTORSHIP(S):	
Public company(ies):	
<ul style="list-style-type: none"> Heineken Malaysia Berhad 	
Private company(ies):	
<ul style="list-style-type: none"> Sunway University Sdn Bhd (Non-Executive Director) PEMANDU Associates Sdn Bhd (President & Chairman) Perintis Akal Sdn Bhd (Chairman) 	
Non-profit organisation(s):	
<ul style="list-style-type: none"> Jeffrey Cheah Foundation 	

Dato' Sri Idris Jala is the President and Chairman of PEMANDU Associates. Previously, he was Advisor to the Prime Minister, National Transformation Programme and the Managing Director of Big Fast Results Institute and Chief Executive Officer (“CEO”) of PEMANDU, a unit in the Prime Minister’s Department, Malaysia, the organisation tasked with spearheading Malaysia’s transition towards high income status by 2020. He also served as Minister in the Prime Minister’s Department, Malaysia for 6 years from 2009 to 2015.

He is a renowned transformation guru in turning around companies’ performance through his big fast results methodology and transformational strategies that are innovative, rigorous and relevant to today’s demands. He has continuously delivered sustainable socioeconomic reforms which, in 2014, saw Bloomberg place him among the top 10 most influential policy makers in the world.

He is also the Founder and Executive Chairman of The Global Transformation Forum, the world’s singular platform for influential, global leaders to engage and share experiences and best practices on how to drive transformation.

In addition, he is an Expert Resource Speaker at the Harvard Health Leaders’ Ministerial Forum and a Visiting Fellow of Practice at the Oxford Blavatnik School of Government. He also served on the Advisory panel for the World Economic Forum on New Economic Growth and also on the Advisory Panel of World Bank.

Prior to his Government stint, he was Managing Director/CEO at Malaysia Airlines (“MAS”) for 3 years. He was brought on board to turn around the airline which was in crisis brought about by a prolonged bout of losses from operational inefficiencies.

Before MAS, he spent 23 years at Shell Group, rising up the ranks to hold senior positions including Vice President, Shell Retail International and Vice President Business Development Consultancy, based in the United Kingdom. This included successful business turnarounds in Malaysia and Sri Lanka.

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

TAN SRI DATO' (DR.) CHEW CHEE KIN

President,
Non-Independent Executive Director



SARENA CHEAH YEAN TIH, S.M.S

Executive Director,
Non-Independent Executive Director



AGE 77	GENDER Male
NATIONALITY Malaysian	
DATE OF APPOINTMENT 17 June 2011	

AGE 48	GENDER Female
NATIONALITY Malaysian	
DATE OF APPOINTMENT 18 November 2010	

- MEMBERSHIP OF BOARD COMMITTEE(S):**
- Sustainability Committee (Chairperson)

- MEMBERSHIP OF BOARD COMMITTEE(S):**
- Sustainability Committee (Member)

- ACADEMIC/PROFESSIONAL QUALIFICATION(S):**
- Attended Program in Management Development at Harvard Business School
 - Bachelor of Economics (Honours) Degree from University of Malaya

- ACADEMIC/PROFESSIONAL QUALIFICATION(S):**
- Member of the Australian Society of Certified Practising Accountants (ASCPA)
 - Masters in Business Administration from Melbourne Business School
 - Bachelor of Commerce (Accounting and Finance) from the University of Western Australia
 - Capital Markets Services Representative's Licence (CMSRL) holder

- PRESENT DIRECTORSHIP(S):**
- Public company(ies):**
- Gopeng Berhad
 - Sunway Construction Group Berhad
- Private company(ies):**
- Sunway Education Group Sdn Bhd and Group (Non-Executive Director)

Tan Sri Dato' (Dr.) Chew started his career as a Trainee Executive in UMW (Malaya) Sdn Bhd in 1974. Prior to joining Sunway Group, he was the General Manager of UMW (Malaya) Sdn Bhd. He joined Sunway Group in 1981 as General Manager. In 1984, he was promoted to the Group General Manager (Operations) and was subsequently promoted to Deputy Group Managing Director (Operations) in 1989. In 1995, he was promoted to Group Managing Director and to President in 1999. He has more than 30 years' experience in general management, quarrying, construction, building materials, trading and manufacturing businesses.

Ms. Sarena Cheah started her career with the Sunway Group since 1995 and served under various roles in the Corporate Finance, Internal Audit and Business Development departments. In 2006, she was made General Manager for Sales & Marketing of the Group's Property Development Division before assuming the position of Director of Strategy & Corporate Development in 2009, during which she oversaw the successful merger and integration of Sunway Holdings Berhad and Sunway City Berhad. In May 2013, she was appointed as Joint Managing Director of Property Development Division, Malaysia/Singapore and subsequently took on her current position as Managing Director of Property Development Division of Sunway in May 2015.

She is a Board Member of Sunway REIT Management Sdn Bhd, the Manager of Sunway Real Estate Investment Trust as well as a member of the National Committee of Real Estate and Housing Developers Association Malaysia (REHDA). She is a Fellow Member of Australian Society of Certified Practising Accountants (ASCPA) and also holds a Capital Markets Services Representative's License (CMSRL).

- PRESENT DIRECTORSHIP(S):**
- Public company(ies):**
- SunREIT Capital Berhad
 - SunREIT Unrated Bond Berhad
 - SunREIT Perpetual Bond Berhad
 - Bank of America Malaysia Berhad

- Private company(ies):**
- Active Equity Sdn Bhd and Group (Non-Executive Director)
 - Jef-San Enterprise Sdn Bhd (Non-Executive Director)
 - Sunway Education Group Sdn Bhd and Group (Non-Executive Director)
 - Bendera Teliti (M) Sdn Bhd (Non-Executive Director)
 - Excelvagant Sdn Bhd (Non-Executive Director)
 - Excelvagant Care Sdn Bhd (Non-Executive Director)
 - Excelvagant Education Services Sdn Bhd (Non-Executive Director)
 - Progressive Venture Sdn Bhd (Non-Executive Director)
 - SunREIT Hartanah Sdn Bhd (Non-Executive Director)

- Non-profit organisation(s):**
- Yayasan Raja Muda Selangor

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

DR. PHILIP YEO LIAT KOK

Senior Independent
Non-Executive Director



AGE 76 GENDER Male

NATIONALITY Singaporean

DATE OF APPOINTMENT 9 April 2020

MEMBERSHIP OF BOARD COMMITTEE(S):

- Nomination and Remuneration Committee (Member)
- Sustainability Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Master in Business Administration from Harvard University
- Master of Science (Systems Engineering) from University of Singapore
- Honorary Doctor of Engineering from University of Toronto, Canada
- Bachelor of Applied Science (Industrial Engineering) from University of Toronto, Canada

PRESENT DIRECTORSHIP(S):

Public company(ies):

- City Developments Limited
- Kerry Logistics Network Limited
- Accuron Technologies Limited

Private company(ies):

- MTIC Holdings Pte Ltd (Non-Executive Chairman)
- P*YEO Investments Pte Ltd (Executive Director)
- Hexagon Development Advisors Pte Ltd (Non-Executive Chairman)
- Singapore Aerospace Manufacturing Pte Ltd (Non-Executive Chairman)
- IGlobe Partners (II) Pte Ltd (Non-Executive Chairman)
- IGlobe Platinum Fund Limited (Non-Executive Chairman)
- IGlobe Platinum Fund II Limited (Non-Executive Chairman)
- IGlobe Platinum Fund III Limited (Non-Executive Director)
- Economic Development Innovations Singapore Pte Ltd (Executive Chairman)
- Advanced MedTech Holdings Pte Ltd (Executive Chairman)
- Dornier Medtech GmbH (Munchen) (Non-Executive Chairman)
- Symbiosis Ventures Management Sdn Bhd (Non-Executive Director)
- Jobtech Pte Ltd (Non-Executive Director)
- Biopolis Ventures (S) Pte Ltd (Non-Executive Director)
- OnSponge Pte Ltd (Non-Executive Director)
- AtumRa Therapeutics Pte Ltd (Non-Executive Director)
- AbAsia Biolabs Pte Ltd (Non-Executive Director)
- Sunway University Sdn Bhd (Non-Executive Director)

Non-profit organisation(s):

- Jeffrey Cheah Foundation
- Baiterek National Managing Holding JSC
- St. Joseph's Institution Foundation for the Lasallian Mission Ltd

Dr. Philip Yeo is currently the Chairman of the Board of Directors of Economic Development Innovations Singapore (“EDIS”) Private Limited. Established in 2013, EDIS is an economic development management services company founded by Dr. Philip Yeo that provides strategic advice and undertakes the development and management of integrated industrial and urban areas. In addition, he is also the Chairman of Accuron Technologies Limited, Advanced MedTech Holdings and i-Globe Partners. Accuron Technologies Limited is a global precision engineering and technology group headquartered in Singapore with operations in major markets in Asia, Europe and the USA and serving the aerospace and industrial markets. Advanced MedTech Holdings is a high growth medtech company in Southeast Asia and a global medical technology leader with a core focus in urology devices and services. As for i-Globe Partners, it is a Singapore-based private venture capital fund.

He sits in the Board of City Developments Ltd, Singapore’s largest property developer, Kerry Logistics Network Ltd which is listed in Hong Kong and Supervisory Board of Directors of Baiterek National Managing Holding JSC of Kazakhstan.

His previous appointments included serving in the Singapore Administrative Service from June 1970 to 31 March 1999. From June 1970 to December 1985, he served in various appointments in the Ministry of Defence (“MINDEF”), including Permanent Secretary for logistics, defence research & development and defence industries (September 1979 to December 1985). He left MINDEF to assume the appointment of Executive Chairman of Economic Development

Board (EDB) in January 1986. He also served as the Founding Chairman of the National Computer Board (now known as Infocomm Media Development Authority) of Singapore from 1981 to 1987.

He played a leading role in formulating and championing Singapore’s first national computerisation plan to evolve the nation into the information age.

He was the Executive Chairman of the Agency for Science, Technology and Research (“A*STAR”) from February 2001 to March 2007. A*STAR is a Singapore government agency focused on building up public scientific research capabilities. He then assumed the position of Chairman of Standards, Productivity and Innovation for Growth, Singapore (Spring Singapore) from April 2007 to 31 March 2018. He was also appointed the Senior Adviser for Science and Technology to the Ministry of Trade and Industry from April 2007 to September 2008. In his role as Special Adviser for Economic Development in the Prime Minister’s Office from April 2007 to August 2011, he assisted the Prime Minister’s Office in establishing new economic links with foreign governments who value Singapore’s development experience, and provide strategic inputs to establish strategic partnerships and open up opportunities with other fast-growing economies.

He was a member of World Health Organization Expert Working Group on Research & Development Financing from January 2009 to January 2010. He was a member of the United Nations Committee of Experts in Public Administration (CEPA), established by the Economic and Social Council (ECOSOC) from 2010 to 2013.

TAN SRI DATO’ DR. LIN SEE YAN

Independent Non-Executive Director



AGE 83 GENDER Male

NATIONALITY Malaysian

DATE OF APPOINTMENT 18 March 2015

MEMBERSHIP OF BOARD COMMITTEE(S):

- Risk Management Committee (Chairperson)
- Nomination and Remuneration Committee (Member)
- Audit Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Distinguished Fellow of the Institute of Strategic and International Studies
- Fellow of Malaysian Institute of Management and Malaysian Economic Association
- Fellow of Malaysian Insurance Institute (Hon.)
- Fellow of Malaysian Institute of Bankers
- Fellow of Royal Statistical Society (London)
- Eisenhower Fellow and a Fellow of the IMF Institute (Washington DC)
- Pro-Chancellor and Research Professor of Sunway University
- Pro-Chancellor of Universiti Teknologi Malaysia
- British Chartered Scientist
- Three post-graduate degrees, including a PhD in Economics from Harvard University
- Chartered Statistician

PRESENT DIRECTORSHIP(S):

Public company(ies):

- Wah Seong Corporation Berhad
- Ancom Berhad
- Nylex (Malaysia) Berhad

Private company(ies):

- IGB REIT Management Sdn Bhd (Manager for IGB REIT) (Chairman and Independent Non-Executive Director)
- Sunway University Sdn Bhd (Non-Executive Director)

Non-profit organisation(s):

- Jeffrey Cheah Foundation
- Tun Ismail Ali Foundation (PNB)
- Harvard Club of Malaysia Foundation
- Malaysian Economic Association Foundation

Tan Sri Dato’ Dr. Lin is a corporate strategy and financial consultant. He has a long and distinguished history of service with the Government of Malaysia and the private sector. He was Chairman/President and Chief Executive Officer of the Pacific Bank Group and for 14 years previously, Deputy Governor of Bank Negara Malaysia, having been a central banker for 34 years. He was advisor to all the past Prime Ministers and Ministers of Finance.

Tan Sri Dato’ Dr. Lin continues to serve the public interest after his retirement, some current appointments include member of key Steering Committees at the Ministry of Higher Education as well as of the Asian Shadow Financial Regulatory Committee; Governor, Asian Institute of Management, Manila; Chairman Emeritus, Harvard Graduate School Alumni Council at Harvard University in Cambridge (USA); President of Harvard Club of Malaysia and Economic Advisor to the Associated Chinese Chambers of Commerce & Industry Malaysia. He serves as an expert on some United Nations and World Bank Groups on sustainable development.

In addition, he is a Trustee of the Tun Ismail Ali Foundation (PNB), Harvard Club of Malaysia Foundation, Malaysian Economic Association Foundation, Jeffrey Cheah Foundation and Program Pertukaran Fellowship Perdana Menteri Malaysia. Tan Sri Dato’ Dr. Lin is also an author and columnist.

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

TAN SRI DATUK DR. REBECCA FATIMA STA MARIA

Independent Non-Executive Director



AGE	GENDER
65	Female
NATIONALITY	
Malaysian	
DATE OF APPOINTMENT	
1 March 2018	

MEMBERSHIP OF BOARD COMMITTEE(S):

- Nomination and Remuneration Committee (Chairperson)
- Risk Management Committee (Member)
- Audit Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Ph.D from the University of Georgia in Athens
- M.S. (Counselling) from Universiti Pertanian Malaysia (now known as University Putra Malaysia)
- Bachelor of Arts (Honours) in English Literature from the University of Malaya
- Postgraduate Diploma in Public Administration from the National Institute of Public Administration (INTAN), Malaysia

AWARD(S):

- Malcolm Knowles Award for the best PhD dissertation in the field of Human Resource Development by the American Academy of Human Resource Development in 2000
- Professional Achievement Awards by School of Education, University of Georgia (2013)

PRESENT DIRECTORSHIP(S):

Public company(ies):

- RHB Bank Berhad
- Hartalega Holdings Berhad
- Eco World International Berhad
- Dialog Group Berhad

Non-profit organisation(s):

- Institute for Democracy and Economic Affairs (IDEAS) (Director)
- MyKasih Foundation (Trustee)
- Yayasan Hartalega (Trustee)

International organisation:

- APEC Secretariat (Executive Director)

Tan Sri Dr. Rebecca began her career in the Malaysian Administrative and Diplomatic Service in 1981 and served in various capacities in the then Ministry of Trade and Industry.

She retired as the Secretary-General of the Ministry of International Trade and Industry (“MITI Sec-Gen”) on 2 July 2016. As MITI Sec-Gen, a post she was appointed to in December 2010, she provided oversight for the formulation and implementation of Malaysia’s international trade policies and positions. This involved Malaysia’s participation in bilateral, regional (ASEAN, APEC, OIC) and multilateral fora (World Trade Organisation), as well as bilateral and regional trade negotiations. On the regional front, she played a key role in ASEAN economic integration and chaired the ASEAN Senior Economic Officials Meeting (2015) as well as the ASEAN High Level Task Force for Economic Integration (January 2011 - June 2016).

She was the Chair of the Institute for Democracy and Economic Affairs (“IDEAS”) and the EU-Malaysia Chamber of Commerce and Industry till 31 December 2018.

Tan Sri Dr. Rebecca currently serves on the Board of Trustees of MyKasih Foundation and Yayasan Hartalega as well as Director of IDEAS. She took office as an Executive Director of Asia-Pacific Economic Cooperation (APEC) Secretariat on 2 January 2019.

TAN SRI JAMALUDIN BIN IBRAHIM

Independent Non-Executive Director



AGE	GENDER
64	Male
NATIONALITY	
Malaysian	
DATE OF APPOINTMENT	
3 March 2021	

MEMBERSHIP OF BOARD COMMITTEE(S):

- Nomination and Remuneration Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Master of Business Administration from Portland State University, Oregon, United States of America (“USA”)
- Bachelor of Science in Business Administration and a minor in Mathematics from California State University, USA

PRESENT DIRECTORSHIP(S):

Public company(ies):

- QSR Brands (M) Holdings Bhd
- Prasarana Malaysia Berhad
- AirAsia Aviation Group Limited

Non-profit organisation(s):

- Axiata Foundation

Tan Sri Jamaludin has more than 40 years of experience, including 16 years in Information Technology (IT) and 23 years in telecommunications, before his retirement in December 2020.

He had worked for a diverse set of companies - Multi National Companies (MNCs), a local company and a Government-Linked Company (GLC), one of the largest regional companies in Asia. He was in a Chief Executive Officer (“CEO”) position for 27 years. He has led or been involved in the listing of 5 companies.

His career began in 1980 as a lecturer in Quantitative Methods at California State University, Chico, USA. He moved back to Malaysia and spent about 12 years in IBM Malaysia (1981-1993). He then became the Managing Director of Digital Equipment (DEC) Malaysia for about 4 years (1993-1997).

Tan Sri Jamaludin spent about 10 years with Maxis Communications Berhad (“Maxis”) (1997-2007) initially as the Director of Strategy in 1997 when it was still a start-up in the mobile industry, and was later promoted to be the CEO the following year.

After Maxis, he joined Axiata Group Berhad as the President & Group CEO for almost 13 years until his retirement in 2020. He transformed it into an iconic regional company, well known in the industry globally, and, from a pure mobile company to 3 different lines of business (Telecommunication, Digital/Internet and Tower Infrastructure) across a footprint of 11 countries in ASEAN and South Asia.

Post retirement, apart from being an Independent Board member of Sunway Berhad, Tan Sri Jamaludin is the Non-Executive Chairman of 3 companies, namely Prasarana Malaysia Berhad, QSR Brands (M) Holdings Bhd and AirAsia Aviation Group Limited. They are in the public transportation, fast food and airlines industries, respectively; the latter two operated in the ASEAN Region.

Tan Sri Jamaludin had served as a board member of GSMA, the world’s biggest Association of Mobile Operators, and was the Deputy Chairman in 2014. He had also served in several other public and private companies over the last 30 years.

He was a member of the country’s Economic Action Council and also the National Digital Economy and 4IR Council (2020-2022), both chaired by the Prime Minister of Malaysia.

PROFILE OF BOARD OF DIRECTORS

PROFILE OF BOARD OF DIRECTORS

DATUK TONG POH KEOW

Independent Non-Executive Director



AGE	GENDER
68	Female
NATIONALITY	
Malaysian	
DATE OF APPOINTMENT	
21 September 2020	

MEMBERSHIP OF BOARD COMMITTEE(S):

- Audit Committee (Chairperson)
- Risk Management Committee (Member)
- Sustainability Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Chartered Accountant, Association of Chartered Certified Accountants, United Kingdom ("UK") (ACCA)
- Chartered Secretaries and Administrators, Institute of the Chartered Secretaries and Administrators, UK (ICSA)
- Diploma in Commerce, Kolej Tunku Abdul Rahman

PRESENT DIRECTORSHIP(S):

- Public company(ies):**
- Velesto Energy Berhad
- Private company(ies):**
- DP Management Services Sdn Bhd (Non-Executive Director)
 - Rawady Holdings Sdn Bhd (Non-Executive Director)

Datuk Tong began her career as a secretarial assistant with Siva, Heng & Monteiro in 1978 and was promoted to manager of secretarial services and audit in 1980. She left the firm in 1981 to join Shapadu Holding Sdn Bhd as an accountant and company secretary until March 1983.

She joined Highlands & Lowlands Berhad in November 1983 as an accountant and assistant company secretary. In 1985, she joined Kumpulan Guthrie Berhad and had held various senior positions until her promotion to Chief Finance Officer ("CFO") in April 2003. In October 2007, post-completion of the merger of Sime Darby Berhad, she was appointed as the CFO of Sime Darby Plantation Berhad. In June 2008, she assumed the position of Group CFO of Sime Darby Berhad. She held this position for about 9 years, until her appointment as Executive Director/ Group CFO of Sime Darby Property Berhad in November 2017, post-completion of the demerger of Sime Darby Berhad. She retired as Group CFO of Sime Darby Property Berhad on 31 March 2019 and as Executive Director on 31 May 2019.

Datuk Tong was named the Best CFO in Malaysia for 2014, 2015 and 2017 at the Institutional Investor Corporate Awards - Alpha Southeast Asia and Best CFO for Investor Relations (Large Cap) for 2013, 2014 and 2017 at Malaysia Investor Relations Awards.

DATUK ZAITON BINTI MOHD HASSAN

Independent Non-Executive Director



AGE	GENDER
66	Female
NATIONALITY	
Malaysian	
DATE OF APPOINTMENT	
8 March 2022	

MEMBERSHIP OF BOARD COMMITTEE(S):

- Audit Committee (Member)
- Risk Management Committee (Member)

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Chartered Accountant of Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant of Malaysian Institute of Accountants (MIA)
- Certified Public Accountant of Malaysian Institute of Certified Public Accountants (MICPA)

PRESENT DIRECTORSHIP(S):

- Public company(ies):**
- A5-DB Operations (M) Berhad
- Non-profit organisation(s):**
- Malaysia Professional Accountancy Centre (MyPAC)
 - Yayasan Masjid Cina

Datuk Zaiton is a Fellow and Council Member of the Association of Chartered Certified Accountants (ACCA), United Kingdom, and was the Deputy Chair of the International Federation of Accountants (IFAC) Professional Accountants in Business (PAIB) Advisory Group. Datuk Zaiton's exposure at the international level in looking at the role of accountants in value creation and building sustainable businesses has led to her strong commitment to the sustainability agenda.

She is also a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

She started her career as an auditor in PricewaterhouseCoopers. She then moved into banking, including serving Malaysia's largest bank, Maybank for 12 years in various senior positions in Treasury, International Operations and Group Strategic Planning.

She was selected by the Central Bank of Malaysia to set up the country's second rating agency, Malaysian Rating Corporation Berhad where she was President for eight years.

She was also Chairman of the Board Risk and Audit Committees of Bank Islam and Chairman of the Board Risk Audit & Governance Committee of Tabung Haji (Malaysia's Pilgrims fund) from 2018 to 2020.

Datuk Zaiton had also served as the Chairman of the Development Bank of Malaysia. She had led the Board and Management, assisted by the World Bank, to a new direction and strategic business model to assess projects applying for funding from the Bank using an Impact Assessment Framework, measuring impact to national development on one dimension and contribution to the achievement of the UNDP Sustainable Development Goals (SDGs) on another dimension.

She was previously the Chairman of the Board Governance and Audit Committee of public listed Sime Darby Plantation Berhad, the world's largest producer of Certified Sustainable Palm Oil. She was also a member of the Sustainability Committee which oversees the formulation of strategic and implementation plans in various areas such as climate risk.

She is an active member in Malaysia's accounting fraternity. She is currently the Chief Executive Officer of a not-for-profit institution, the Malaysia Professional Accountancy Centre (MyPAC), which focuses on giving the opportunity and funding for students from underprivileged B40 families to pursue professional accountancy qualifications.

NOTES:

- Family Relationship with Director and/or Major Shareholder**
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling who is the Executive Chairman and major shareholder of Sunway, is the father of Ms. Sarena Cheah Yean Tih, the Executive Director.

Save as disclosed above, none of the other Directors has any family relationship with any Director and/or major shareholder of Sunway.
- Conflict of interest**
Dr. Philip Yeo Liat Kok is a Director of City Developments Limited, a company incorporated in Singapore which principal activities include property development.
- Conviction for Offences**
None of the Directors has any conviction for offences within the past 5 years other than traffic offences (if any) nor public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.
- Attendance of Board Meetings**
The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2022 is disclosed in the Corporate Governance Overview Statement.

Please refer to Corporate Governance Overview Statement on pages 116 to 142 for more information.

Save as disclosed above, none of the other Directors has any other conflict of interest with Sunway Group.

PROFILE OF SENIOR MANAGEMENT

PROFILE OF SENIOR MANAGEMENT



DATO' TAN KIA LOKE

Senior Managing Director – Chairman's Office

AGE	GENDER	NATIONALITY
72	Male	Malaysian

DATE OF APPOINTMENT: 1 January 2015

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Science (Hon) Degree in Civil Engineering, University of Strathclyde, United Kingdom

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Malaysian South-South Corporation Berhad
- Malaysian Industry-Government Group for High Technology
- Sunway Construction Group Berhad (Alternate Director to Evan Cheah Yean Shin)

AWARD(S):

- CEO of the Year by the Malaysian Construction Industry Excellence Award (MCIEA) (2006)

Dato' Tan is a Civil Engineer by profession. He joined Sunway Group in 1981. He was the Senior Managing Director of Sunway Construction Sdn Bhd and was appointed as Head of Property and Construction Division on 1 January 2013 after the merger of Sunway Holdings Berhad and Sunway City Berhad in August 2011. His key role was to synergise and enhance the full potential values in the Group's core property and construction collaborations. He is currently the Senior Managing Director in Chairman's Office to support the Chairman of Sunway Group in areas of new business ventures, strategic partnerships and collaborations.

He is an Honorary Builder of Master Builders Association Malaysia.



EVAN CHEAH YEAN SHIN

Group Chief Executive Officer – Digital and Strategic Investments

AGE	GENDER	NATIONALITY
43	Male	Malaysian

DATE OF APPOINTMENT: 1 March 2015

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Chartered Financial Analyst Charterholder
- Certified Practising Accountant
- Member of Malaysian Institute of Accountants
- Bachelor's Degree in Commerce and Bachelor's Degree in Business Systems, Monash University

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Sunway Construction Group Berhad

Mr. Evan Cheah is currently the Group Chief Executive Officer ("CEO") for Digital and Strategic Investments in Sunway Group, a leading Malaysian conglomerate with multi-industry interests in property development, property investment, construction, healthcare, leisure and hospitality, retail mall management, fund management, building materials & industrial distribution and manufacturing.

He has more than 10 years of experience in general management, investments and technology across various businesses within Sunway Group.

Prior to his current role, he was the CEO of Sunway Group's China operations responsible for its China Corporate Office. Concurrently, he was the Executive Vice President – President's Office driving new business growth and synergies for Sunway Group.

Mr. Evan Cheah sits on the board of Sunway Construction Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as a non-independent non-executive director. He currently also sits on the boards of various private operating companies including as Chairman of the Board for Credit Bureau Malaysia Sdn Bhd, Sunway Money Sdn Bhd, Multicare Health Pharmacy Sdn Bhd and Tianjin Eco-City Sunway Property Development Co. Ltd. He is also a non-independent non-executive director of Elite Commercial REIT Management Pte Ltd, the Manager for Elite Commercial REIT, a real estate investment trust listed on Singapore Exchange Securities Trading Limited.

He graduated with a Bachelor's Degree in Commerce and a Bachelor's Degree in Business Systems from Monash University in 2001. He is a Chartered Financial Analyst (CFA) Charterholder, a Fellow of Certified Practising Accountants (CPA) Australia, and a Member of Malaysian Institute of Accountants.



CHONG CHANG CHOONG

Group Chief Financial Officer

AGE	GENDER	NATIONALITY
64	Male	Malaysian

DATE OF APPOINTMENT: 1 May 2013

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Member of Institute of Chartered Accountant in England and Wales
- Bachelor of Arts (Honours) in Economics and Accounting, University of Newcastle Upon Tyne, England

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Gopeng Berhad

In 1980, Mr. Chong started his career as an Article Clerk in Robson Rhodes, a chartered accountant firm in London. He returned to Malaysia in 1984 and he was a Corporate Banking Officer with Bumiputera Merchant Bankers Bhd. Subsequently, he held various positions in different financial institutions, including John Hancock Life Insurance Berhad and DMG K&N Kenanga Berhad. His last position prior to joining Sunway Group was the General Manager – Investments of Public Mutual Berhad from 1995 to 2004. Under his guidance, Public Mutual Berhad won numerous fund management awards.

Mr. Chong joined Sunway Group as the Director of Group Corporate Affairs on 1 December 2010 and he is responsible for overseeing the corporate finance and treasury functions. Upon the listing of Sunway, he was redesignated to Chief Financial Officer of Sunway and subsequently, assumed his current role as Group Chief Financial Officer.

He has more than 20 years of experience in banking, stockbroking, corporate finance and portfolio fund management.



DATO' LAU BENG LONG

President - Sunway Healthcare Group

AGE	GENDER	NATIONALITY
68	Male	Malaysian

DATE OF APPOINTMENT: 1 August 2011

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Science (Hons), Universiti Sains Malaysia
- Master of Health Administration, University of New South Wales
- Master of Business Administration, Southern Cross University
- Postgraduate Diploma in Public Administration, National Institute of Public Administration (INTAN)

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Yayasan Kasih Hospis

Dato' Lau has more than 35 years of experience in the healthcare sector. He currently overlooks the Healthcare Division of the Sunway Group and is in charge of the flagship Sunway Medical Centre at Sunway City Kuala Lumpur, Sunway Medical Centre Velocity and Sunway Medical Centre Penang, as well as spearheading the planning and project management of new hospitals and other healthcare facilities in the major cities of Malaysia and Singapore.

With effect from 1 January 2022, he has been promoted to Group Managing Director - Sunway Healthcare Group to drive the expansion plans of Sunway Healthcare Group to become a leading integrated private healthcare group with a network of hospitals and healthcare services in the region.

Prior to this, he held executive leadership positions in Pantai Medical Centre (KL) as well as Mount Alvernia Hospital and Assisi Hospice & Home in Singapore. He was also a planning and management consultant for healthcare projects in East Malaysia, Indonesia and the United Arab Emirates (UAE). In his early career, he was holding planning and corporate secretarial positions in the Ministry of Agriculture and Harrison's & Crosfield PLC respectively.

Currently, Dato' Lau is a volunteer board member of Yayasan Kasih Hospis.

PROFILE OF SENIOR MANAGEMENT

PROFILE OF SENIOR MANAGEMENT



CHUNG SOO KIONG

Managing Director of International Property Development Division

AGE	GENDER	NATIONALITY
56	Male	Malaysian

DATE OF APPOINTMENT: 1 May 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Science (Hons) Degree in Quantity Surveying, University of Abertay Dundee
- Diploma in Building (Technology), Tunku Abdul Rahman College

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Mr. Chung began his career with TAISEI Corporation in 1990 where over a period of seven years he rose to the position of Section Manager – Quantity Surveying. In 1997, he joined Sunway Construction Sdn Bhd and served as the Contract Manager of Business Development & Marketing Department. Thereafter, Mr. Chung acted as the Country Manager/Project Director of Sunway Innopave Sdn Bhd (Abu Dhabi Branch) for the period from 2007 to 2013.

After his stint in Abu Dhabi, Mr. Chung took up the role of Deputy Managing Director of Sunway Construction Sdn Bhd (“SCSB”) since 2013 before he was promoted to the position as Managing Director of SCSB in November 2015. He was further promoted to Group Managing Director of SCSB in January 2020. Mr. Chung has over 20 years of experience in the construction sector.

He resigned as Group Managing Director of Sunway Construction Group Berhad on 1 April 2022 and subsequently, appointed as the Managing Director of International Property Development Division effective from 1 May 2022.



LIEW KOK WING

Group Managing Director – Construction Division

AGE	GENDER	NATIONALITY
54	Male	Malaysian

DATE OF APPOINTMENT: 1 April 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Master of Science Degree in Civil Engineering, National University of Singapore
- Bachelor of Engineering (Hons) in Civil Engineering, National University of Singapore

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Sunway Construction Group Berhad

Mr. Liew began his career with L&M Geotechnic in Singapore in 1993, as a Project Engineer at various construction projects in Singapore. In 1996, he was transferred to L&M Systems, Thailand as Project Manager in charge of infrastructure works for a low rise luxury housing project in Bangkok. In the same year, he left to join Taylor Woodrow Projects (M) Bhd before joining Sunway Construction Sdn Bhd (“SCSB”) as Senior Geotechnical Engineer from 1996 to 1998. Thereafter, he joined Nishimatsu Construction Company Singapore.

He rejoined SCSB in 2000 and was promoted during the course of overseeing various projects in Malaysia and India to the position of Senior General Manager, heading the Civil Engineering Division in 2003. He was further promoted as the Deputy Managing Director in 2016 and as the Managing Director of SCSB on 1 January 2020.

Effective 1 April 2022, he assumed the position of Group Managing Director of Sunway Construction Group Berhad. He has more than 20 years of experience in the construction industry.



LEE CHUAN SENG

Chief Executive Officer - Quarry Division

AGE	GENDER	NATIONALITY
55	Male	Malaysian

DATE OF APPOINTMENT: 1 February 2018

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Chartered Accountant
- Fellow Member of Chartered Institute of Management Accountants, United Kingdom
- Member of Chartered Global Management Accountant
- Member of Malaysian Institute of Accountants
- Masters in Business Administration, Victoria University of Technology, Australia

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Mr. Lee has more than 26 years of experience in the quarrying industry. He was appointed as Chief Executive Officer - Quarry Division on 1 February 2018. Prior to this appointment, he was the Chief Operating Officer of Sunway Group’s Quarry Division, in charge of 6 quarries and 13 asphalt manufacturing plants with annual sales turnover of over RM200 million.

He first joined Sungei Way Quarry Industries Sdn Bhd in 1996 as the Accountant and last served as Commercial Manager (Southern & Eastern Region) of the Sunway-Pioneer joint venture, formed in 1999 when the Group divested its quarrying operations to Pioneer International Limited. In his role as Commercial Manager from 1999 to 2001, he was in charge of 3 core products, namely aggregates, asphalt manufacturing and ready-mixed concrete.

He then took on the role of Financial Controller for Setia Juta Quarry Industries Sdn Bhd in 2001 and held the same position until 2005, when the company was injected into Sunway Holdings Berhad. He progressed to the position of Chief Operating Officer in 2012.

In 2020, he expanded the quarry and asphalt operations to a total of 8 quarries and 24 asphalt manufacturing plants in the ever-changing dynamic construction market.

In order to complement his forte in the industry and the quarrying and asphalt/premix fraternity, he is also the Deputy President of Malaysia Quarries Association (“MQA”) for year 2023-2025 and Vice Chairman of MQA Selangor/Kuala Lumpur Branch for year 2023-2025.



YEOH YUEN CHEE

Chief Executive Officer – Trading and Manufacturing Division

AGE	GENDER	NATIONALITY
62	Male	Malaysian

DATE OF APPOINTMENT: 1 January 2021

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Business in Business Administration, RMIT University
- Fellow of the Institute of Management Specialists, United Kingdom

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Mr. Yeoh has more than 40 years of experience in the field of heavy equipment business. In 1978, he started his career with UMW Equipment Sdn Bhd, a leading heavy equipment distributor in Malaysia and was the Senior Manager for Products and Branch Operations before joining Sunway Group in 2006 as Assistant General Manager of Sunway Enterprise (1988) Sdn Bhd (“Sunway Enterprise”), the heavy equipment business division of Sunway Trading and Manufacturing Division.

Mr. Yeoh was promoted to General Manager in 2009 and subsequently to Senior General Manager in 2013 assuming larger responsibilities to identify new markets and business models, reputable agency lines as well as overseas expansion.

He was instrumental in transforming Sunway Enterprise from a key quarrying equipment and accessories supplier into a full fledge heavy equipment distributor and solutions provider including rental of material handling equipment through expansion of Sunway Enterprise’s product portfolio via acquisition of exclusive distributorships of reputable product brands such as CASE Construction Equipment, Sany Concrete Pumping Equipment and Rotary Drilling Rigs, Lonking Wheel Loaders, Weichai Mining Trucks, HBXG Bulldozers and Tailift Forklifts owned by Toyota Industries Group of Japan.

PROFILE OF SENIOR MANAGEMENT

PROFILE OF SENIOR MANAGEMENT



DANNY NG BOON LIANG

Chief Executive Officer – Building Materials Division

AGE	GENDER	NATIONALITY
63	Male	Malaysian

DATE OF APPOINTMENT: 1 May 2013

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Economics (Business Administration), University of Malaya

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Mr. Danny Ng has 38 years of working experience, including 16 years in quarry operations and road construction for the Quarry Division of Sunway Group.

He joined Sunway Group in 1986. He currently oversees the Building Materials Division which includes the interlocking concrete pavers and compressed concrete slabs, vitrified clay pipes and jacking pipes and spun piles for Malaysia. He was designated to his current position in 2013.

Prior to this appointment, Mr. Danny Ng was the Executive Director of the Sales and Marketing Division of Sunway Building Technology Berhad Group of Companies. He was also the Senior General Manager of the Southern Region of Sunway Pioneer Quarry Sdn Bhd and Pioneer Sun-Mix Concrete Sdn Bhd, a former joint-venture company of Sunway Group.



CHAN HOI CHOY

Chief Executive Officer – Sunway Shopping Malls and Theme Parks

AGE	GENDER	NATIONALITY
63	Male	Malaysian

DATE OF APPOINTMENT: 1 January 2009

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Science (Hons) degree in Managerial and Administrative Studies, University of Aston, Birmingham, United Kingdom

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Mr. Chan spent his entire 36 years of professional career in mall management and development and has acquired extensive experience in general mall management, operations and marketing management. He began his career in Sungei Wang Plaza in 1983 where he spent 11 years with this successful shopping mall before joining Berjaya Starcity (now known as Times Square) as the General Manager, principally responsible for the development of this major shopping mall in the heart of Kuala Lumpur from 1994 to 1999. His next career move was to Sunway Pyramid.

In his current position, he oversees the portfolio of 7 malls, namely Sunway Pyramid, Sunway Velocity Mall, Sunway Carnival Mall, Sunway Putra Mall, Sunway Big Box Retail Park, Sunway Giza, Sunway Citrine Hub and 2 Theme Parks, namely Sunway Lagoon and The Lost World of Tambun.

He is the current Advisor of Malaysia Shopping Malls Association (PPK Malaysia) after serving a two-term presidency in advocating the industry interest at both international and national levels. He also serves as the current Advisor of Council of Asian Shopping Centres (CASC) and sits on the Industry Advisory Board of Sunway University Business School.



DR. KHOO CHOW HUAT

Managing Director, Hospital & Healthcare Operations - Sunway Healthcare Group

AGE	GENDER	NATIONALITY
50	Male	Singaporean

DATE OF APPOINTMENT: 11 October 2022

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Arts (First Class Honours) in Chemistry, University of Cambridge
- Chartered Management Accountant, Chartered Institute of Management Accountant (CIMA)
- Master of Business Administration, Northwestern University (Kellogg School of Management) and Hong Kong University of Science and Technology
- Doctorate in Business Administration, Manchester Business School

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Dr. Khoo has 26 years of strategic, operational and investment management experience, including 18 years in healthcare; leading healthcare operations, healthcare investment, planning and development of facilities, service excellence and business development, spanning across Singapore, Malaysia and China.

On 11 October 2022, Dr. Khoo was appointed the Managing Director for Hospital & Healthcare Operations of Sunway Healthcare Group. In this role, Dr. Khoo leads the development, operations and coordination of existing hospitals as well as other healthcare facilities of Sunway Healthcare Group, ensuring a seamless network of integrated health services and programmes designed to meet the needs of patients, doctors, customers and employees.

Prior to joining Sunway, Dr. Khoo was Chief Executive Officer (“CEO”) - Healthcare of Perennial Holdings Private Limited (“Perennial Holdings”), where he was responsible for the healthcare business of the Group including both hospitals and eldercare services. Before Perennial Holdings, Dr. Khoo was the General Manager of Raffles Hospital Chongqing under Raffles Medical Group, and prior to that, he was the Deputy Managing Director of Sunway Group Healthcare Services and CEO of Sunway Medical Centre from 2016 to 2018.

Prior to his previous stint in Sunway, Dr. Khoo held various positions including Group CEO of Orange Valley Healthcare, one of the largest eldercare operators in Singapore with six nursing homes and more than 1,000 beds, and CEO of Mount Alvernia Hospital and Assisi Hospice. He was also previously with the Singapore Administrative Service, and held various senior positions in the People’s Association, Ministry of Health, Ministry of Home Affairs and Ministry of Information and the Arts.

NOTES:

1. Family Relationship with Director and/or Major Shareholder

Mr. Evan Cheah Yean Shin is the child of Tan Sri Dato’ Seri Dr. Jeffrey Cheah Fook Ling who is the Executive Chairman and major shareholder of Sunway and he is the sibling of Ms. Sarena Cheah Yean Tih, the Executive Director of Sunway.

Save as disclosed above, none of the other Senior Management members has any family relationship with any Director and/or major shareholder of Sunway.



FOO SHIANG WYNE

Chief Human Resources Officer – Group Human Resources

AGE	GENDER	NATIONALITY
51	Female	Malaysian

DATE OF APPOINTMENT: 1 January 2015

ACADEMIC/PROFESSIONAL QUALIFICATION(S):

- Bachelor of Science (Hons) in Computer Science, University of Sussex, United Kingdom
- Masters in Business Administration, Cardiff Business School, United Kingdom

PRESENT DIRECTORSHIP(S) IN PUBLIC COMPANY(IES):

- Nil

Ms. Foo is an experienced Human Resources (“HR”) Practitioner, and a Marshall Goldsmith Certified Executive Coach, with more than 20 years’ extensive experience in various industries such as Pharmaceuticals, Medical Devices, Hospitality and Fast Moving Consumable Good.

Prior to joining Sunway, she was the HR Director of GlaxoSmithKline for Malaysia, Singapore and Brunei as well as in Johnson & Johnson Medical Devices Division for Malaysia and Indonesia. She was also the Regional Director of HR of Hilton Worldwide, where she managed the overall HR spectrum of 17 properties across Southeast Asia, and was the Regional Learning & Development Manager for NIKE (Southeast Asia) in her earlier career days.

Ms. Foo joined Sunway Group in 2013 as the General Manager - Organisation Development, and assumed her current role in 2015 where she is responsible for the overall Group HR and HR Shared Services.

She is instrumental in formulating strategies to redefine the learning culture, and elevate talent and organisational practices at Sunway, including talent acquisition, learning & development, talent management, total rewards and performance management. She also spearheaded diversity and inclusion initiatives, strengthened employer branding through strategic collaborations with top universities, and is leading the group-wide HR Digital Transformation across all businesses within Sunway, revolutionising HR services for the Group.

2. Conflict of interest

None of the Senior Management members has any conflict of interest with Sunway Group.

3. Conviction for Offences

None of the Senior Management members has any conviction for offences within the past 5 years other than traffic offences, if any. They have not been imposed any penalty by any relevant regulatory bodies during the financial year 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Board is steadfast in its commitment to upholding the rigorous standards of corporate governance set forth in the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”). This Corporate Governance Overview Statement, in conjunction with the Corporate Governance Report available on our website, articulates how the Board has applied the fundamental principles of sound governance and conformed to the relevant provisions as stipulated in the MCCG 2021 throughout the review period.

EFFECTIVE BOARD

Our Board comprises a team of highly skilled professionals, each bringing a diverse range of perspectives, expertise and corporate experience to the boardroom. In strict adherence with the MCCG 2021, the Board is committed to driving the long-term sustainable success of the Company, creating value for our shareholders, and contributing to the greater good of society. To facilitate thorough discussions, the Board effectively manages its time by leveraging on its four principal committees. During each Board meeting, sufficient time is allocated on the agenda for committee chairs to present comprehensive reports of their discussions, recommendations requiring approval, and subsequent actions taken. Additionally, the Board conducts a rigorous annual review of our business strategy, and routinely evaluates the flexibility of our business model to ensure its future readiness and continued value creation.

Board

7 Independent Non-Executive Directors **3** Non-Independent Executive Directors

The Board is primarily responsible for setting the Group's strategy for delivering long-term value to our shareholders and other stakeholders, providing effective challenge to Management concerning the execution of the strategy and ensuring the Group maintains an effective risk management and internal control system.

Audit Committee (“AC”)

Chairperson: Datuk Tong Poh Keow **4** Independent Non-Executive Directors

Oversees the Group's financial reporting, maintains an appropriate relationship with the External Auditors and monitors the Group's internal controls.

Nomination and Remuneration Committee (“NRC”)

Chairperson: Tan Sri Datuk Dr. Rebecca Fatima Sta Maria **4** Independent Non-Executive Directors

Ensures the Board (and its committees) have the correct balance of skills, knowledge and experience and that adequate succession plans are in place. Establishes the Remuneration Policy for Directors and Senior Management and ensures that there is a clear link between performance and remuneration.

Risk Management Committee (“RMC”)

Chairperson: Tan Sri Dato' Dr. Lin See Yan **4** Independent Non-Executive Directors

Reviews and monitors the Group's principal and emerging risks and the effectiveness of the Group's risk management systems.

Sustainability Committee (“SC”)

Chairperson: Tan Sri Dato' (Dr.) Chew Chee Kin **2** Independent Non-Executive Directors

2 Executive Directors

Reviews, supervises and recommends the Group's sustainability strategy and issues as well as key environmental, social and governance (ESG) targets and performance to advance the sustainability leadership of the Group.

MEETINGS AND ATTENDANCE

	Non-Independent Executive Director			Independent Non-Executive Director						
	Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO <i>Executive Chairman</i>	Tan Sri Dato' (Dr.) Chew Chee Kin <i>President</i>	Sarena Cheah Yean Tih, S.M.S. <i>Executive Director</i>	Dato' Sri Idris Jala <i>Non-Executive Co-Chairman</i>	Dr. Philip Yeo Liat Kok <i>Senior Independent Director</i>	Tan Sri Dato' Dr. Lin See Yan <i>Independent Director</i>	Tan Sri Datuk Dr. Rebecca Fatima Sta Maria <i>Independent Director</i>	Tan Sri Jamaluddin Bin Ibrahim <i>Independent Director</i>	Datuk Tong Poh Keow <i>Independent Director</i>	Datuk Zaiton Binti Mohd Hassan <i>Independent Director (Appointed w.e.f. 8/3/2022)</i>
Board	9/9	9/9	9/9	7/9	7/9	8/9	8/9	9/9	9/9	6/6*
Audit Committee (“AC”)						7/7	7/7	1/1*	7/7	6/6*
Nomination and Remuneration Committee (“NRC”)					3/5	4/5	4/5	4/5		
Risk Management Committee (“RMC”)						5/5	5/5		5/5	4/4*
Sustainability Committee (“SC”)		2/2	2/2		1/2				2/2	

* reflects the number of meetings held during the time the Director held office

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



GOVERNANCE FRAMEWORK AND BOARD RESOURCES

Effective corporate governance is crucial to ensure that our business is managed in the most responsible manner for the benefit of all our stakeholders. To this end, we have established a robust governance framework that provides clear accountability and responsibility lines. The framework is designed to enable seamless sharing of information and facilitate swift decision-making and rigorous oversight. By adhering to this framework, we are able to ensure that our actions are transparent and aligned with our values, and that we are accountable to our stakeholders.

Our governance systems and processes support the development and delivery of strategy by:

- ensuring accountability and responsibility;
- facilitating the sharing of information for the Board to make informed decisions;
- establishing engagement programmes with key stakeholders;
- maintaining a sound system of risk oversight, management and an effective suite of internal controls;
- providing independent insight and knowledge from the Non-Executive Directors; and
- facilitating the development and monitoring of key performance indicators.

The Board maintains a rigorous schedule of matters that are reserved exclusively for its approval, as outlined in the Company's Board Charter, which is regularly reviewed and available on our website. To streamline and secure the flow of information, the Directors use an advanced electronic Board paper system that provides immediate and secure access to crucial documents. The Chairman and committee chairs work alongside the Company Secretaries to set the agendas for upcoming meetings, ensuring that information shared with the Board is timely, comprehensive, and conducive to deliberate without being excessively unwieldy. All papers are required to be presented in a clear and concise format, with supporting material included as appendices. In some cases, the person-in-charge of a report is invited to join the Board during discussions to enable Directors to ask questions directly and obtain a more in-depth understanding of the subject matter. Furthermore, all Directors have access to the services of the Company Secretaries, and they may initiate a procedure to obtain independent professional advice at the Company's expense as necessary.

BOARD ROLES AND RESPONSIBILITIES

Co-Chairmen

The Executive Chairman provides leadership to the Board and guidance to the Group.

The Independent Non-Executive Co-Chairman chairs the Board meetings, sets the agenda items, promote active engagement among Directors as well as between the Board and the President. He ensures the smooth functioning of the Board including the effectiveness of the overall governance systems and processes.

President

The President reports to the Executive Chairman and the Board. He focuses on the Group's businesses and manages the day-to-day operations of the Company as well as implements the Board's decisions.

Senior Independent Non-Executive Director

Dr. Philip Yeo Liat Kok is the appointed Senior Independent Non-Executive Director. He coordinates the activities of the Independent Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. He also assists the Chairman and the Board to ensure effective corporate governance in managing affairs of the Board and the Company. He is available to shareholders if they have concerns relating to matters that the Chairman, President or Group Chief Financial Officer ("GCFO") has failed to resolve, or where such contact is inappropriate.

Non-Executive Directors

Provide constructive challenge to our Management, help to develop proposals on strategy and monitor performance against our key performance indicators ("KPIs"). They ensure that no individual or group dominates the Board's decision making and promote the highest standards of integrity and corporate governance throughout the Company and particularly at Board level. Further, they review the integrity of financial reporting and that financial controls and systems of risk management are robust.

Company Secretaries

Secretary to the Board and its committees, the Company Secretaries develop Board and Board Committees' agendas and collate and distribute papers, ensure compliance with Board procedures and advise on regulatory compliance and corporate governance. Further, they facilitate induction programmes for Directors, assist with their training and development as required and are responsible for communications with retail shareholders and the organisation of the Annual General Meeting. Additionally, they are available to support all Directors.

BOARD KEY FOCUS AREAS AND FUTURE PRIORITIES

1 Board Renewal

During the year under review, the Board had approved the appointment of Datuk Zaiton Binti Mohd Hassan as an Independent Director on 8 March 2022. Her appointment is testimonial of the Group's commitment to further enhance gender diversity of the Board.

Tan Sri Dato' Dr. Lin See Yan will retire at the coming Annual General Meeting of the Company scheduled on 22 June 2023. The Board will further refresh and enhance diversity of the Board.

2 Enhancing Quality Standards of Audit and Internal Control

In a continuous effort to improve the quality of the internal audit function and to comply with the international standards, the Board has appointed KPMG Management & Risk Consulting Sdn Bhd, an external professional consultant to conduct a Quality Assessment Review ("QAR") on the Group Internal Audit Department ("GIAD"). The QAR was conducted and completed in 2022. Based on the results, GIAD had conformed with the relevant internal audit standards and actions had been taken to address the key areas of improvement.

3 Net Zero Carbon Emissions by 2050

The Group continues with its initiatives to achieve the goal of "Net Zero Carbon Emissions by 2050".

The Group has appointed The Jeffrey Sachs Center on Sustainable Development (JSC) to conduct Value at Risk (VaR) assessment on all its 74 properties to assess the Group's physical risk exposure to climate change in 2021. Based on the climate VaR study, Sunway will continue to monitor all its properties closely to ensure that they are safe against material climate-related physical risks (floods, increased rainfall intensity, landslides) and put in place mitigation measures as appropriate. To prepare for the potential transitional risks from climate-related issues, the Group has established an Internal Carbon Pricing framework and set an internal carbon price at RM15 per tonne of CO₂e emitted above a threshold level based on the respective business divisions. Management has also included it as a KPI of the business divisions and any breach of the carbon emission threshold will have an impact on the respective business division's year-end bonus pool.

Sunway is committed to deepening our understanding of the climate-related potential risks and opportunities, and investing in strategies and actions that will prudently mitigate material risks and enhance our business position as a provider of high-quality green and sustainable products and services.

Please refer to Climate Report: Net Zero By 2050 in the Sustainability Report 2022.

4 Management Advisory Committee on Digital

As part of the Group's digital transformation initiatives, the Management Advisory Committee on Digital will explore and advise the Board on digital initiatives and new digital businesses.

CONFLICT OF INTEREST

Directors are required to avoid situations that may directly or indirectly conflict with the interests of the Group, whether perceived or real, and must not allow their personal or business interests to interfere with their duties. To ensure strict adherence to this policy, the Board has established a clear and transparent policy that restricts a Director from deliberating and participating in the voting process when a potential conflict of interest exists. Prior to every major Board decision, the Chairman requests that the Directors confirm they have no potential personal conflict with the issue being discussed. If a conflict does arise, the Director in question is excused from the discussion, and his or her declaration of interest is documented in the minutes of the meeting. This approach serves to maintain the highest level of ethical conduct and upholds the interests of the Group and all its stakeholders.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



INTEGRITY AND ACCOUNTABILITY

The Board maintains a formalised Code of Conduct and Business Ethics Policy (“Code”), which establishes an ethical framework to guide the actions and behaviours of all Directors and employees. This Code is a reflection of the Company’s commitment to upholding the highest standards of integrity and ethical conduct in all its operations. Additionally, the Company has implemented a comprehensive Whistleblowing Policy and Procedures that enables all employees and stakeholders to report suspected wrongdoing, inappropriate behaviour or misconduct relating to fraud, corrupt practices, or abuse in a timely manner. The objective of this policy and procedure is to provide a mechanism for employees and stakeholders of the Group to report concerns, without fear of retaliation, for Management to take appropriate action. To encourage disclosure of any improper conduct, employees or members of the public may report such conduct through the channels designated in the policy. The Company values all disclosures, and ensures that they are treated with utmost confidentiality and sensitivity.

Whistleblowing hotlines

Tel: +603 5639 8025

E-mail: whistleblowing@sunway.com.my

Fax: +603 5639 8027

At our Group, we hold a zero-tolerance policy towards all forms of bribery and corrupt practices. As part of our commitment to ethical business conduct, we have implemented a comprehensive Anti-Bribery and Corruption Policy and Procedures (“ABC Policy”), as well as an Anti-Money Laundering Policy and Procedures (“AML Policy”). These policies provide guidance and procedures to all employees and business associates of the Group, ensuring that they are fully aware of their obligations and responsibilities in complying with these policies. Our employees are required to implement measures to prevent money laundering within our businesses, in accordance with the AML Policy. To ensure the effectiveness of these policies, the Risk Management Committee (“RMC”) provides oversight and monitoring of the ABC Policy and AML Policy.

[Further details of the Code, Whistleblowing Policy and Procedures, ABC Policy and AML Policy are set out in the Corporate Governance Report \(“CG Report”\). The Code, Whistleblowing Policy and Procedures, ABC Policy, AML Policy and the CG Report are available at the Company’s website at \[www.sunway.com.my\]\(http://www.sunway.com.my\).](#)

BOARD APPOINTMENTS, SKILLS AND KNOWLEDGE

APPOINTMENTS TO THE BOARD

Sunway Berhad is committed to ensuring that appointments to our Board are based on merit, with the primary objective of ensuring that the Board maintains the appropriate balance of skills, experience and knowledge to effectively shape the Group’s strategy. Our appointments are based on the recommendations of the Nomination and Remuneration Committee (“NRC”), which takes into account the benefits of diversity in its broadest sense, including personal strengths and gender. We strive to create a diverse Board that fosters a culture of openness and transparency, which we believe is critical to our success in a rapidly changing business landscape.

PROFESSIONAL TRAINING

An effective and dynamic Board is critical to the success of our organisation. At Sunway, we place great emphasis on the composition of our Board, ensuring that it comprises a diverse and highly skilled team that is well-equipped to drive the long-term growth and prosperity of the Group.

As a business that operates in a constantly evolving landscape, it is essential that our Executive and Independent Directors are equipped with the knowledge and skills required to navigate the challenges and opportunities that lie ahead. We are committed to ensuring that our Directors keep abreast with the latest developments, trends and best practices in corporate governance, regulatory compliance, and other relevant areas.

To achieve this, we have put in place a range of initiatives, including regular training sessions, knowledge-sharing sessions, and briefings from subject matter experts. Our Company Secretaries are tasked with keeping the Board informed of any regulatory or legislative developments that may impact our operations, while our NRC ensures that the Board comprises the right composition of skills and experience to drive the Group’s long-term success.

DIRECTOR PROFESSIONAL DEVELOPMENT AND TRAININGS

Name of Directors	Course Title / Organiser	Date
Tan Sri Dato’ Seri Dr. Jeffrey Cheah Fook Ling AO	The MOU – Why It Will Transform Malaysian Politics [The Asian Strategy & Leadership Institute (ASLI)]	18 February 2022
	Harvard Global Health & Service Advisory Council (Harvard University, Boston USA)	6 April 2022
	United Nations Sustainable Development Solutions Network (SDSN) Leadership Council (United Nations SDSN organization)	11 April 2022
	Jeffrey Sachs United Nations SDGs Briefing (Jeffrey Sachs Center & SDSN Malaysia)	12 April 2022
Dato’ Sri Idris Jala	Panelist for Bursa Leadership Fireside Chat Series (London Speaker Bureau ASIA Webinar)	15 March 2022
	London Speaker Bureau Asia Webinar (London Speaker Bureau ASIA)	23 March 2022
	Conversation with YB Dato’ Sri Mustapa Mohamed on High-Income Nation [Economic Planning Unit (EPU)]	30 March 2022
	Harvard Ministerial Forums 2022 - Harvard Ministerial Leadership Program for Finance Ministers (Harvard)	24 to 27 April 2022
	Harvard Ministerial Forums 2022 - Harvard Ministerial Leadership Program for Health and Education Ministers (Harvard)	12 to 15 June 2022
	Commonwealth Business Forum: Invest in Rwanda (Commonwealth Secretariat, Rwanda Development Board)	21 to 23 June 2022
	Leadership Talk to TNB: Transformational Leadership in Managing Crisis [Tenaga Nasional Berhad (TNB)]	30 June 2022
	Prasarana Senior Management Retreat: 6 Secrets of Transformational Leadership (Prasarana Malaysia Berhad)	9 August 2022
	CEO Breakfast Round Table (TPC Leadership)	16 August 2022
	Sunway Leadership and Strategic Planning Workshop (Sunway Group)	26 August 2022
Tan Sri Dato’ (Dr.) Chew Chee Kin	Customer Experience Leadership Talk (Air Selangor)	27 October 2022
	Harvard Ministerial Leadership Roundtable 2022 (Harvard)	1 to 3 November 2022
Tan Sri Dato’ (Dr.) Tan Sri Dato’ (Dr.) Chew Chee Kin	TCFD Climate Disclosure Training Programme - TCFD 101 (Bursa Malaysia Berhad)	2 March 2022
	Cyber Security: What Directors Need to Know [Minority Shareholders Watch Group (MSWG)]	8 June 2022
Tan Sri Dato’ Dr. Lin See Yan	CEO Series 2022: Annual Property Developers Conference* (REHDA Institute)	20 January 2022
	* Attended as speaker	
Tan Sri Dato’ Dr. Rebecca Fatima Sta Maria	Second Ministerial Conference of the OECD Southeast Asia Regional Programme [Organisation for Economic Co-operation and Development (OECD)/Ministry of Foreign Affairs, Korea]	9 February 2022
	The Economist Events’ Sustainability Week Asia 2022 (The Economist Group)	11 February 2022
	IAC Coffee Chat 2022 [Association of Malaysian Economics Undergraduates (AMEU)]	12 February 2022
	UK-ASEAN Business Forum (UK-ASEAN Business Council, the Department for International Trade and the ASEAN Business Advisory Council)	24 February 2022
	2022 International Women’s Day Celebration with APEC Education Network [Department of Education (DepEd) Philippines-International Cooperation Office]	8 March 2022
	Women in Leadership Summit: Empowering Women, Empowering Our Future (EU-ASEAN Business Council)	9 March 2022

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



Name of Directors	Course Title / Organiser	Date	
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria (Cont'd)	RIETI Brown Bag Lunch Seminar [The Research Institute of Economy, Trade and Industry (RIETI)]	11 March 2022	
	Stewardship Asia Roundtable 2022 (Stewardship Asia Centre)	31 March 2022	
	ICLIF Lecture on Sustainability (Iclif Executive Education Center)	20 April 2022	
	Quincy Institute webinar (Quincy Institute for Responsible Statecraft)	9 June 2022	
	Women Empowerment (Siam Cement Group/Ministry of Foreign Affairs, Thailand)	10 June 2022	
	ABAC Roundtable: How to create and maintain a crisis-proof resilient APEC travel infrastructure (ABAC Hong Kong China)	16 June 2022	
	Mega trends affecting the Asia Pacific [2022 Brunei Mid-Year Conference and Exhibition (MYCE)]	28 June 2022	
	International Media Conference (East West Center, Hawaii)	29 June 2022	
	Virtual training session on "Sustainability & Impact on Organisations: What Directors Need to Know" (Iclif Executive Education Center)	4 July 2022	
	Keynote Address Hitachi Young Leaders Initiative (Hitachi Asia)	18 July 2022	
	Keynote Address: ESG World Summit and GRIT Awards 2022 (ESG Research Foundation)	22 July 2022	
	Tan Sri Jamaludin Bin Ibrahim	Persepsi Terhadap Pelaburan Langsung Asing (FDI) Ke Malaysia [YB Menteri di Jabatan Perdana Menteri (Ekonomi)]	26 January 2022
	Datuk Tong Poh Keow	Economic Outlook - Taking Temperature for 2022 and Beyond [Securities Industry Development Corporation (SIDC)]	2 March 2022
TCFD 101 Climate Disclosure Training Programme (Bursa Malaysia Berhad)		2 March 2022	
TCFD 102 Training Workshop - Building Experience in Climate Related Financial Reporting (Bursa Malaysia Berhad)		9 March 2022	
Talk on Anti-Money Laundering Act (Ernst & Young)		29 March 2022	
Leadership that Sustains Performance and Build Trust (ACCA UK)		31 March 2022	
Conversation with AOD [Securities Commission's (SC) Audit Oversight Board (AOB)]		7 April 2022	
ACCA Annual VC 2022 - The Future of Work for Accountants, Sustainability, Technology, Work Redesign (ACCA Singapore)		20 April 2022	
PNB Knowledge Forum 2022		21 April 2022	
Sustainable Investing - ESG in the Forefront [PNB Research Institute Sdn Berhad ("PNBRI")]			
Sustainability and Its Impact on Organisations (Asia School of Business)		10 May 2022	
IFRS Sustainability Standards - Are You Ready (ACCA UK)		31 May 2022	
Preserving the Climate Through SD Business and Living (SIDC)		22 to 23 June 2022	
Power Talk - ESG Series		27 June 2022	
Plan Your ESG Journey - Lessons for the Boardroom [Institute of Corporate Directors Malaysia ("ICDM")]			
Power Talk - ESG Series		29 June 2022	
Global Megatrends to Watch Out For (ICDM)			
Rystad Talks Energy - Powering the Energy Transition - China's Roles in Future Global Energy Scenarios (Rystad Energy Asia Pacific)		28 July 2022	
Power Talks ESG Series - Climate Change and Carbon - From the Financial Risk and Reporting Perspectives (ICDM)		4 August 2022	

Name of Directors	Course Title / Organiser	Date
Datuk Tong Poh Keow (Cont'd)	PNB Knowledge Forum - Tall Buildings and Living in the Space Age - The Enigma and Convergence of Science and Art (PNBRI)	10 August 2022
	Power Talks ESG Series - Characteristics of ESG and Sustainability Leadership (ICDM)	11 August 2022
	Circular Economy Conference 2022 - Transitioning to Net Zero Through Energy Efficiency (The Star)	19 August 2022
	International Directors Summit (ICDM)	26 to 28 September 2022
	14 th ACCA Asia Pacific Thought Leadership Forum - Geopolitics, Stagflation and Deterioration of "The Commons": Considerations in your Business Planning for 2023 and Beyond (ACCA)	12 October 2022
	Fraud Prevention and Detection (MSWG)	8 November 2022
	PNB Knowledge Forum III 2022 - Decarbonised Economy, Accelerating the Net Zero Transition (PNBRI)	9 November 2022
	AOB Conversation with Audit Committee (SC)	17 November 2022
	SDG Investment Forum - ASEAN 2022 (UN Global Compact Network, Malaysia & Brunei)	23 November 2022
	Building Towards a Corrupt Free Nation - Fighting Corruption and Embracing a Culture of Compliance for Good Governance (Malaysian Institute of Management)	15 December 2022
	Datuk Zaiton Binti Mohd Hassan	PNB Knowledge Forum 2022 (PNBRI)
MetaFinance: The Next Frontier of the Global Economy (FIDE Forum)		23 May 2022
IIC-SIDC Corporate Governance Conference 2022 (Institutional Investors Council Malaysia/SIDC)		23 September 2022
Steward Leadership Summit - Creating a Collective Better Future (Stewardship Asia Centre)		30 November 2022
Dr. Philip Yeo Liat Kok	ESG - Environmental, Social and Governance Essentials (Singapore Institute of Directors)	2 August 2022
Sarena Cheah Yean Tih, s.m.s.	Core Program Module B : Bank of America [The Financial Institutions Directors' Education (FIDE)]	28 February 2022
	BAMB & MLMA Training on Global Information Security (GIS) (Bank of America)	26 April 2022
	Technology Driving the Future of Gig Economy (SIDC)	17 August 2022
	Capital Market Director Programme (CMDP) Module 2B: Business Challenges and Regulatory Expectations What Directors Need to Know (Fund Management) (SIDC)	24 August 2022
	Sunway Leadership & Strategic Planning Workshop (Pemandu Associates Sdn Bhd)	26 August 2022
	Forbes Global CEO Conference in Singapore (Forbes Asia)	26 to 27 September 2022
	Understanding Sustainability Taxonomies - Globally & Regionally (SIDC)	12 October 2022
	Asia Pacific Real Assets Leaders' Congress 2022 (Asia Pacific Real Estate Association)	8 to 10 November 2022

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT

NRC = Nomination and Remuneration Committee

NRC = Nomination and Remuneration Committee

The NRC comprises exclusively Independent Non-Executive Directors. During the financial year under review, the Chairperson of the NRC was Tan Sri Datuk Dr. Rebecca Fatima Sta Maria. The other members of the Committee were Tan Sri Dato' Dr. Lin See Yan, Dr. Philip Yeo Liat Kok and Tan Sri Jamaludin Bin Ibrahim ("Tan Sri Jamaludin").

The NRC is responsible for reviewing the composition, size and diversity of the Board. It ensures that the Board comprises Directors with appropriate skills, knowledge, expertise and experience as well as ensuring a proper balance between Executive Directors and Independent Non-Executive Directors. It is also responsible for advising the Board on matters relating to the remuneration of the Board and senior management in order to retain and attract the best talents.

It regularly reviews the criteria to be used in the Board recruitment process. For candidates proposed for appointment as Independent Non-Executive Directors, the NRC assesses the candidate's independence in accordance with Paragraph 1.01 and Practice Note 13 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), his/her time commitment, potential contribution as well as meeting the criteria of the Board's Fit and Proper Policy.

It also undertakes annual assessment of the effectiveness of the Board and its various Board Committees. In addition, it is responsible for the succession planning of the Board and senior management.

ACTIVITIES OF THE NRC

During the financial year, five (5) meetings were held to deliberate on the following matters:

- At the Meeting held on 25 February 2022, the NRC:
 - Reviewed and endorsed the comprehensive onboarding process for new Directors following the recommendations made by the Institute of Corporate Directors Malaysia ("ICDM") in ICDM's Board and Directors Effectiveness Evaluation ("BDEE") report.
 - Reviewed and discussed the 2021 final performance appraisal of the Executive Directors, comparing their achievement with that of the planned KPIs. Given the improved financial performance of the Group as compared with that of 2020, the NRC endorsed the 2021 bonus payment and 2022 salary increments for the Executive Directors and recommended the same for the Board's approval.
 - Evaluated the existing size, structure and composition of the Board and Board committees. The NRC noted that the composition of the Board and Board Committees comprising majority Independent Non-Executive Directors, were appropriate and fulfilled the requirements of the MMLR of Bursa Securities.
 - Noted the Independent Directors' confirmation of their continued independence and they had carried out their responsibilities in accordance with the MMLR of Bursa Securities. They would continue to act in the best interest of the Company and all stakeholders.

- Noted that in 2021, the Directors had kept abreast with the latest market and global trends and technical knowledge by attending webinars/seminars/workshops. The Board members also took a keen interest in environmental, social and governance ("ESG") and sustainability practices and initiatives; digital transformation for the Group, including data privacy and cybersecurity risks. The NRC always encourages the Board members to attend specific training programmes in order to keep themselves abreast with the rapidly changing economic, business, technological and regulatory environment as well as financial reporting standards.
- Evaluated the contributions and performance of Tan Sri Datuk Seri Razman M Hashim ("Tan Sri Razman"), Tan Sri Dato' (Dr.) Chew Chee Kin ("Tan Sri Chew") and Ms. Sarena Cheah Yean Tih ("Ms. Sarena Cheah"), the retiring Directors who were due for retirement by rotation pursuant to Clause 106(1) of the Company's Constitution at the Twelfth Annual General Meeting ("12th AGM").

Tan Sri Chew and Ms. Sarena Cheah, being eligible for re-election, had offered themselves for re-election at the 12th AGM held on 23 June 2022 while Tan Sri Razman had indicated that he would not seek re-election as Director at the 12th AGM.

Based on the BDEE report by ICDM and the retiring Executive Directors' performance scorecards, the NRC being satisfied with their performance, then recommended the re-election of Tan Sri Chew and Ms. Sarena Cheah to the Board and shareholders. The retiring Directors confirmed that they had fulfilled the criteria of the Fit and Proper Policy as approved by the Board.

Tan Sri Chew and Ms. Sarena Cheah were subsequently re-elected by the shareholders at the 12th AGM. Tan Sri Razman retired as Director upon conclusion of the 12th AGM.
- At the Meeting held on 3 March 2022, the NRC had interviewed and assessed Datuk Zaiton Binti Mohd Hassan ("Datuk Zaiton"), who was nominated as an Independent Non-Executive Director. Considering Datuk Zaiton's impressive credentials, academic qualification, in-depth corporate exposure, extensive board experience, financial competencies and time commitment as well as her confirmation of her independence, the NRC then recommended her nomination to the Board for approval. She was subsequently appointed by the Board on 8 March 2022. She was also appointed as a member of the AC and RMC on the same date.
- At the Meeting held on 12 April 2022, the NRC:
 - Reviewed and discussed the process of identifying the successor for the GCFO.
 - Reviewed and discussed the Group Human Resources Officer's briefing on the Group's Management Associate Programme which includes personalised plans, accelerated development and focused engagement with the Group's senior leaders to nurture future talents and leaders.
 - Reviewed and deliberated on the new KPIs and 2022 performance scorecards using the "Balanced Scorecard" approach for Tan Sri Chew and Ms. Sarena Cheah (Executive Directors) as well as Mr. Chong Chang Choong (GCFO) and Dato' Lau Beng Long (President for Sunway Healthcare Group). Their KPIs included a 20% weightage for organisational effectiveness which *inter alia*, cover sustainability encompassing ESG factors such as building energy intensity, waste management, improve occupational health and safety environment (OHSE) compliance at workplace, employees' learning hours and compliance with the Group's mandatory policies.
 - Reviewed and endorsed the NRC report for 2021.

The duties and responsibilities of the NRC are set out in its terms of reference ("TOR") which is available at the Company's website at www.sunway.com.my.

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



NOMINATION AND REMUNERATION COMMITTEE REPORT

NRC - Nomination and Remuneration Committee

- Recommended the re-election of Datuk Zaiton as Director pursuant to Clause 89 of the Company's Constitution. She was subsequently re-elected by the shareholders at the 12th AGM.
 - On 24 August 2022, the NRC:
 - Reviewed and deliberated on the latest status of the shortlisted candidates for the position of the CFO.
 - Reviewed and discussed the achievements of mid-year key KPIs and mid-year performance appraisal of the Executive Directors and key senior management.
 - Reviewed and approved the internal assessment methodology for evaluation of Board Effectiveness, Board Committees' effectiveness as well as assessment of the Independent Non-Executive Directors and Directors' Peers Review.
 - On 25 November 2022, the NRC:
 - Reviewed and amended its terms of reference to align it with recent changes to the regulatory requirements and the updated MCGG 2021.
 - Noted the Group Human Resources Officer's succession planning initiatives. She presented the management succession plan for all the C-Suite and level 2 leaders. The potential successors to each key position in the organization was presented for consideration. The NRC received assurances that all potential candidates nominated to C-suite and level 2 leaders' positions were of sufficient calibre. The potential candidates' readiness was closely tracked
- through a structured and systematic leadership programme in order to provide orderly management succession. All senior management have one or more potential successors in one or more of these stages i.e. ready now, ready soon or ready later.
- In managing talents and succession planning, annual talent reviews were conducted across the Group, culminating in the review of key management positions by the Talent Council, led by the President. This annual exercise comprehensively reviews the succession plans for all key management positions, including the leadership and growth potential, and development plans for the identified successors. These key management profiles were then reviewed with the Executive Chairman before the Group Human Resources Officer presented them to the NRC for endorsement, which took place on 25 November 2022.
- Reviewed and recommended for the Board's approval, the contract of service for Tan Sri Chew for the period from 1 January 2023 to 31 December 2023.

TENURE OF DIRECTORSHIP

The Board has a policy whereby an Independent Non-Executive Director who has reached the threshold of 9 years' tenure will be re-designated as Non-Independent Non-Executive Director.

During the financial year under review, none of the Independent Non-Executive Directors has reached the 9-year tenure.

BOARD EVALUATION

The Board Chairman assumes the responsibility, in collaboration with the NRC, to ensure that the Company benefits from a proficient Board with an appropriate range of skills, expertise and experience. Annually, a performance evaluation is conducted to assess the Board and its committees' efficacy, verifying that each Director exhibits a committed approach towards his/her responsibilities and has sufficient time to undertake his/her duties competently.

ANNUAL BOARD AND BOARD COMMITTEES EVALUATION

The NRC conducts an annual assessment of the Board's effectiveness as well as the performance of the Board Committees and each Director by way of self and peer evaluation. This includes a review of the desirable combination of competencies, qualification, knowledge, skills, expertise and personal traits of the Directors in order to identify any gaps that may exist in the optimum composition of skills required for the Board. In addition, Directors were subject to fit and proper assessment to ensure each individual Director has the necessary integrity and honesty to govern the Company.

The assessment criteria and outcome are summarised as follows:

EVALUATION

Board Evaluation

Board Committee Evaluation

Director Peer Evaluation

Independent Directors' Self-Assessment

ASSESSMENT CRITERIA

Board mix, composition and development, Board dynamics and effectiveness, conduct of board meetings, roles and responsibilities, company performance, performance of Chairman, performance of President, Board sustainability matters, stakeholder engagement.

Committee composition, quality, skills and competencies, roles and responsibilities, effective communication, qualification of chairperson.

Director's fit and proper criteria, contribution and performance, individual competencies and personality, understanding of roles.

The criteria set under paragraph 1.01 of the MMLR of Bursa Securities.

OUTCOME

The Directors concluded that the Board was effective in its governance and strategic roles and had fulfilled its statutory responsibilities efficiently. The Director's peer review affirmed that each Director had performed his/her respective roles and responsibilities effectively. Each member was satisfied with each other's contribution in sharing their insights, ideas and suggestions. They participated actively in Board and Board Committees' deliberations and discussions. The Chairman of the Board was effective in managing the board agenda as well as ensuring open and free discussions. Hence, there was no risk of group think as each Director had freedom to express his/her own views. All Board Committees were assessed to be effective in discharging their roles and responsibilities in accordance to the approved terms of reference.

All the Board members had shown their time commitment by attending the meetings. The Board planned to engage independent experts to facilitate its annual assessment every three (3) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



BSC – Board Sustainability Committee

Members:

Tan Sri Dato' (Dr.) Chew Chee Kin (Chairperson)
Datuk Tong Poh Keow

Dr. Philip Yeo Liat Kok
Sarena Cheah Yean Tih, *s.m.s.*

ACTIVITIES OF THE BSC

During the financial year, the BSC met 2 times to deliberate on the matters stated below:

- a) At the First BSC Meeting held on 4 April 2022, the BSC discussed the following:
 - The BSC had reviewed and approved the appointment of Jeffrey Sachs Center (“JSC”) to assess the physical risks due to climate change for all assets owned or managed by Sunway Property Management. In the Meeting, BSC had also discussed the key findings from Climate VaR assessment made by JSC.
 - The BSC had approved and recommended the renaming of the Sustainability Committee to Management Sustainability Committee for the Board’s approval.
 - It had deliberated on the increase in ESG score and rating of the Company in relation to the improved disclosures in its sustainability reporting as well as the assurance statement issued by SIRIM QAS International Sdn Bhd (“SIRIM”). The Company’s Sustainability Report 2021 achieved “High” classification of data for all sections based on the data, information and supporting documents provided to the auditors.
 - It had also approved and recommended the following policies for the Board’s approval:
 - Group Sustainability Policy (updated policy);
 - Biodiversity Policy (new policy); and
 - Green Building Policy (new policy).
- b) At the Second BSC Meeting held on 3 November 2022, the BSC deliberated on the following matters:
 - The BSC had reviewed and approved the appointment of SIRIM as the external auditors to audit the Company’s Sustainability Report 2022.
 - It had discussed the separate policies for Green Buildings and Green Townships as well as the clarity of roles between the RMC and BSC. It had adopted a resolution to maintain a separate function from the RMC.
 - It had updated on the ESG key performance indicators of Tan Sri Chew and Ms. Sarena Cheah for 2022.
 - The BSC had deliberated on on-site renewable energy generation and sustainable financing.
 - It was updated on the amendments to Bursa Securities MMLR in relation to enhanced sustainability reporting framework and the Company’s progress in relation thereto.
 - It was updated on the Group’s sustainability initiatives and strategies as follows:
 - Net Zero by 2050 Roadmap (reduction of Scope 3 emissions);
 - Green leasing (reduction of downstream embodied carbon under Scope 3 emissions);
 - Green procurement (reduction of upstream embodied carbon under Scope 3 emissions);
 - Waste management (improvement in data quality and solutions to reduce food waste to landfills); and
 - Centralised compliance monitoring of the Environmental Quality Act, 1974.
- c) Other policies approved by BSC via email circulation:
 - Green Township Policy (new policy); and
 - Sustainable Events Management Policy (new policy).

REMUNERATION

The Group recognises that in order to attract and retain the Executive Directors and senior management, it is important to have a fair and competitive remuneration package that commensurate with their qualification, experience, skills, responsibilities, performance, contribution as well as benchmarking industry peers. In view of this, a framework and guidelines provided by an independent consultant and market data on the remuneration practices of comparable peers are taken into consideration in determining the remuneration package for Executive Directors and senior management. It is structured on the basis of linking rewards to corporate and individual performance. The performance and remuneration package of the Executive Directors are subject to evaluation of the NRC.

For Independent Non-Executive Directors including the Non-Executive Chairman, the level of remuneration reflects their knowledge, experience and level of responsibilities. In addition, the remuneration is benchmarked against industry peers of similar size as well as complexity of the Group’s businesses. The remuneration of Independent Non-Executive Directors consists of fixed annual Directors’ fees, Board Committees’ fees and meeting allowances for each Board or Board Committee meeting attended.

The Board determines the fees for the Non-Executive Directors and individual Directors shall abstain from decisions in respect of their individual remuneration. The fees and allowances payable to Non-Executive Directors are subject to the prior approval of shareholders at the Annual General Meeting (“AGM”) of the Company.

The Non-Executive Chairman is entitled to Directors’ fee of RM360,000 per year while the rest of the Non-Executive Directors are entitled to Directors’ fees of RM120,000 per individual per year. The meeting allowance is set at RM1,000 per individual per meeting.

In addition to the Directors’ fees, the Chairperson and members of the following Board Committees are entitled to the following fees in respect of their roles and responsibilities as outlined in their respective terms of reference, as approved by the shareholders at the Eleventh AGM of the Company held on 14 September 2021:

	Chairperson	Member
AC	RM25,000	RM15,000
RMC	RM10,000	RM5,000
NRC	RM10,000	RM5,000

The Board Committees’ fees are subject to the shareholders’ approval at the AGM. The fees will be reviewed as and when the need arises. The Board Committees’ fees are payable annually together with the payment of the Directors’ fees.

www.sunway.com.my The details of the Directors’ remuneration for the financial year 2022 are disclosed in the CG Report which is available in the Company’s website at www.sunway.com.my.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY



RISK MANAGEMENT COMMITTEE ("RMC") REPORT

The RMC has oversight on the Company's risk management framework and policies. It comprises exclusively Independent Non-Executive Directors, with Tan Sri Dato' Dr. Lin See Yan as Chairperson. The other members were Tan Sri Datuk Dr. Rebecca Fatima Sta Maria, Datuk Tong Poh Keow and Datuk Zaiton. Datuk Zaiton was appointed as a member on 8 March 2022.

The Company's overall risk management process is the responsibility of the Board conducted through the RMC. The RMC supports the Board and Management in setting the tone from the top so as to embed and maintain appropriate risk culture. It guides the direction and development of risk mitigation plans on existing and potential risks given the myriad of industries that the Group is involved.

The RMC, with the assistance of the Group Risk & Compliance team:

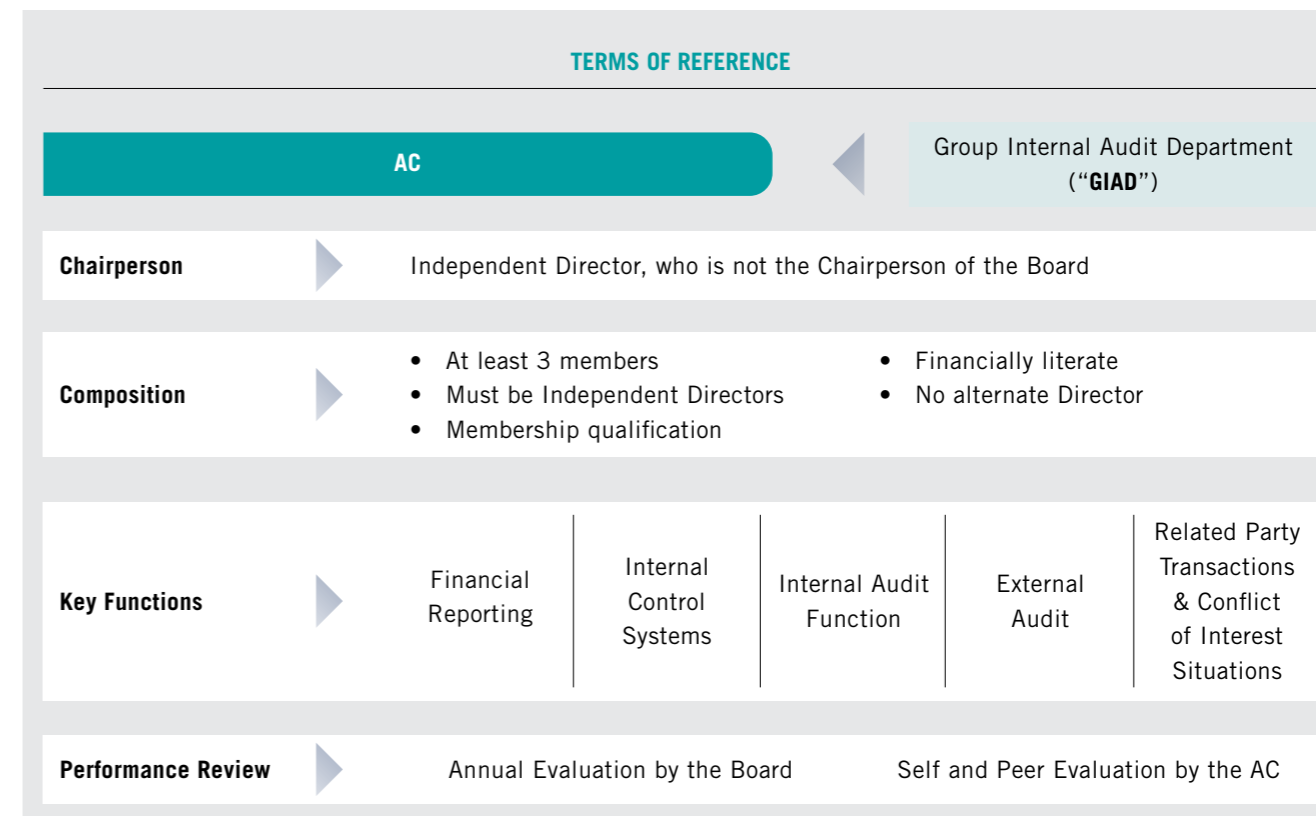
- (i) evaluates and determines the nature and extent of the risks the Board is ready to endorse in pursuit of the Group's strategic objectives;
- (ii) ensures an appropriate and effective risk management framework is established and maintained;
- (iii) monitors the design and implementation of the risk management framework;
- (iv) oversees management of risk identification, reporting and mitigation efforts. The risk management review is reported to the RMC on a quarterly basis for review and discussion; and
- (v) reviews and approves the Statement on Risk Management and Internal Control.

During the financial year, five (5) meetings were held to deliberate on the following matters:

- (i) Reviewed and deliberated the quarterly risk reports which covered identified key risks at operational levels, the corresponding rating for each risk as well as the control and mitigation action plans taken;
- (ii) Reviewed and deliberated the ABC Policy Roll-out for the Group;
- (iii) Endorsed the Statement on Risk Management and Internal Control to be included in the Company's Integrated Annual Report 2021;
- (iv) Reviewed and recommended the appointment of an external consultant for the establishment and implementation of the Group Compliance Framework. RMC was briefed on the proposals from 4 external consultants. After due deliberation, RMC had subsequently recommended the appointment of Messrs KPMG Management & Risk Consulting Sdn Bhd for the assignment for the Board's approval;
- (v) Reviewed the RMC's terms of reference to ensure that it is updated with the regulatory and MCG requirements;
- (vi) Assessed the key business risks and action plans of Theme Park Division, Sunway Property and Facility Management Sdn Bhd, Sunway Resort Hotel and Property Development Division;
- (vii) Reviewed and deliberated on the Group's borrowings and foreign exchange exposure risk; and
- (viii) Reviewed the legal opinion on Directors' duties and disclosure obligations under Malaysian law in the context of climate change risks and considerations.

AUDIT COMMITTEE ("AC") REPORT

The Board of Sunway Berhad is pleased to present the AC Report for the financial year ended 31 December 2022. This report provides insights into the manner in which the AC has discharged its oversight functions.



TERMS OF REFERENCE

The scope of the roles and responsibilities of the AC is outlined in its terms of reference ("TOR") which is set out at Sunway website at www.sunway.com.my.

The AC assists the Board to review, assess and make recommendations on matters relating to financial and accounting records, internal controls, related party transactions ("RPT"), potential conflict of interest and financial reporting practices of Sunway Berhad Group.

COMPOSITION

The AC comprised four (4) members, all of whom were Independent Non-Executive Directors during the financial year ended 31 December 2022. Members of the AC comprised the following Directors:-

- | | | | | |
|--|---|--|--|--|
| <p>Datuk Tong Poh Keow
<i>(Chairperson, Independent Non-Executive Director)</i></p> | <p>Tan Sri Dato' Dr. Lin See Yan
<i>(Member, Independent Non-Executive Director)</i></p> | <p>Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
<i>(Member, Independent Non-Executive Director)</i></p> | <p>Datuk Zaiton Binti Mohd Hassan
<i>(Member, Independent Non-Executive Director) (Appointed with effect from 8 March 2022)</i></p> | <p>Tan Sri Jamaludin Bin Ibrahim
<i>(Member, Independent Non-Executive Director) (Resigned with effect from 8 March 2022)</i></p> |
|--|---|--|--|--|

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY

B

The composition of the AC complied with the MMLR of Bursa Securities and the principles and practices set out in the MCGG 2021:

MMLR

Requirements	Commentary
Paragraphs 15.09(1)(a) & (b)	<ul style="list-style-type: none"> The AC comprises 4 members, all of whom are Independent Non-Executive Directors who satisfy the test of independence under the MMLR of Bursa Securities.
Paragraph 15.09(1)(c)	<ul style="list-style-type: none"> Datuk Tong Poh Keow and Datuk Zaiton are members of the Malaysian Institute of Accountants.

MCGG 2021

Best Practices	Commentary
Practice 9.1	<ul style="list-style-type: none"> Datuk Tong Poh Keow is not the Chairperson of the Board.
Practice 9.2	<ul style="list-style-type: none"> The TOR of the AC provides that no former partner of the external audit firm of the Company shall be appointed as a member of the AC before observing a cooling-off period of at least 3 years. Since the incorporation of the Company on 10 November 2010, none of the Directors were former partners of the external audit firm of the Company.
Practice 9.3	<ul style="list-style-type: none"> The AC has policies and procedures to assess the suitability, objectivity and independence of the external auditor.
Practice 9.4	<ul style="list-style-type: none"> The AC comprises solely of Independent Directors.
Practice 9.5	<ul style="list-style-type: none"> All members are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. They have attended various training programmes, conferences, seminars and courses organised by the relevant regulatory authorities and professional bodies on areas relevant to the Group's businesses, Directors' roles, responsibilities, effectiveness and/or corporate governance issues.

PERFORMANCE OF AC

The performance and effectiveness of the AC is assessed on an annual basis. The Board, through the NRC, had reviewed and evaluated the performance of the AC for the financial year 2021. The assessment for the said financial year, was conducted by ICDM, an external independent consultant. Based on the annual assessment, the Board was satisfied with the performance and effectiveness of the AC, in which it had discharged its roles and responsibilities effectively in accordance with its TOR.

MEETINGS AND ATTENDANCE

During the financial year under review, the AC held seven (7) meetings with the attendance record of the AC members shown below:-

Name	Membership	Attendance (attended/held)	% of Attendance
Datuk Tong Poh Keow	Chairperson	7/7	100%
Tan Sri Dato' Dr. Lin See Yan	Member	7/7	100%
Tan Sri Datuk Dr. Rebecca Fatima Sta Maria	Member	7/7	100%
Datuk Zaiton Binti Mohd Hassan (Appointed with effect from 8 March 2022)	Member	6/6*	100%
Tan Sri Jamaludin Bin Ibrahim (Resigned with effect from 8 March 2022)	Member	1/1*	100%

* reflects the number of meetings held during the time the Director held office

The President and GCFO were present in all the meetings to provide explanation and to address audit and internal control issues as well as to report on the Group's financial performance. The Head of GIAD attended all the meetings to present the quarterly internal audit reports and the annual audit plan. The External Auditors, Messrs. BDO PLT ("BDO"), were present at three (3) of the meetings held. The External Auditors presented the Audit Planning Memorandum, audit findings, draft audited financial statements and financial matters for the financial year 2021.

The minutes of each AC Meeting were recorded and tabled for confirmation at subsequent AC Meetings. All minutes were presented to the Board for noting and discussion. The Chairperson of the AC ("AC Chairperson") reported the AC's recommendations and remedial actions (if any) to the Board for its consideration and approval as well as Management's implementation. Significant audit issues and resolutions were highlighted to the Board at its immediate subsequent meeting.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2022, the following activities took place at the AC Meetings:-

1. Financial Reporting

(a) Quarterly Financial Results

At the AC Meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022, the AC reviewed and discussed with Management, the quarterly management accounts and quarterly financial results. The AC focused its attention on ensuring that the necessary processes and controls were in place in the preparation of accurate financial reports.

At each of the Meeting, the GCFO presented the quarterly financial reports and confirmed to the AC, the following matters:

- The accounting policies and methods of computation adopted by the Group were consistent with those adopted in the previous audited financial statements except for the adoption of the new or amended accounting standards which were effective for the financial year 2022;
- The financial statements are prepared in accordance with the MMLR, all relevant approved accounting standards, regulatory and other legal requirements so as to give a true and fair view of the financial position of the Group;
- There were no significant and unusual issues other than those reported in the financial statements; and
- The Company and the Group continued to operate as going concerns.

The AC scrutinised and reviewed the quarterly financial results with Management to ensure the appropriateness of the accounting treatment and the accuracy of the reported figures. The GCFO highlighted the material transactions, accounting adjustments and provisions made. Explanations to material variances or movements during the relevant quarters were highlighted and explained.

Having reviewed the unaudited quarterly financial results, the AC subsequently recommended the same be presented to the Board for approval for release to Bursa Securities.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY

**(b) Audited Financial Statements**

On 8 April 2022, the AC together with the External Auditors and Management, deliberated on the audited financial statements for the financial year ended 31 December 2021. The AC was briefed on the significant audit findings, key audit matters and the adoption of new accounting standards in the audited financial statements. The AC had also discussed with the External Auditors on the accounting treatment of the Group's partial divestment of equity interest in Sunway Healthcare Holdings Sdn Bhd ("SHH") and its subsidiaries (collectively "SHH Group").

The Management and the External Auditors confirmed to the AC that the draft audited financial statements were prepared in accordance with the relevant accounting standards and legal requirements. Pursuant to the recommendation of the AC, the Board subsequently approved the release of the audited financial statements to Bursa Securities.

(c) Accounting standards and other relevant regulatory requirements

The AC was also briefed by the External Auditors and the GCFO of the changes and amendments to the accounting standards which potentially could have material financial impact on the Company's financial reports.

The External Auditors had also provided its Transparency Report pursuant to the requirements of the Audit Oversight Board and paragraph 33(d) (ii) of International Standard on Quality Management ("ISQM") 1 to the AC.

(d) Response to Key Audit Matters

The preparation of financial statements in conforming to MFRS and IFRS requires the use of certain critical accounting estimates and assumptions. Key Audit Matters are matters of most significance in the audit of the financial statements of the Group and the Company. The AC has reviewed the process and procedures performed and is satisfied that the accounting estimates and significant judgement applied are appropriate. For the financial year under

review, the External Auditors had identified the following as Key Audit Matters:-

(i) Revenue recognition for property development

Revenue from sale of properties under development is recognised over the period of contracts with customers using the input method by reference to the costs incurred for work performed to-date against the estimated costs to completion. Management is required to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

During the review of quarterly management accounts and quarterly financial results to be released to Bursa Securities, the AC reviewed and discussed with Management, the basis used for the recognition of revenue from sale of properties under development for all its significant property development activities including local and overseas projects. At each meeting, the GCFO highlighted the areas where significant estimates and critical judgements were made in ascertaining the quantum and timing of revenue recognised.

(ii) Revenue recognition for construction contracts

Revenue from construction contracts is recognised over the period of contracts with customers using the output method which recognises revenue on the basis of certification of contract work performed to-date over the estimated total contract sum.

Management is required to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to Liquidated Ascertained Damages ("LAD") based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays, if any.

During the review of quarterly management accounts and quarterly financial results to be released to Bursa Securities, the AC reviewed and discussed with Management, the basis used for the recognition of revenue for construction contracts under Sunway Construction Group Berhad. Management continued to closely monitor relevant indicators including potential exposures to project delays and LADs caused by adverse effects of the COVID-19, supply chain disruption and labour shortage which would influence the estimates used in arriving at the Group's reported revenue from construction contracts. At each quarterly meeting, the GCFO had highlighted areas where there were potential LADs and areas where significant estimates and critical judgements were made in ascertaining contract sums including variation orders, claims or contingencies.

(iii) Valuation of derivative liabilities on exit clauses in relation to the partial divestment of SHH Group

Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group represent the exit clauses attached to the Shareholders' Agreement and Share Subscription Agreement entered between the Company, Sunway City Sdn Bhd ("SunCity"), SHH and Greenwood Capital Pte Ltd ("Greenwood") following the divestment of 16% equity interest in SHH to Greenwood by SunCity. Management is required to exercise significant judgements in determining the fair values of the derivative liabilities on the exit clauses and is subject to estimation uncertainty as subjective variables need to be used by Management in order to derive the fair values.

During the review of quarterly management accounts and quarterly financial results to be released to Bursa Securities, the AC reviewed and discussed with Management, the basis used for the determination of the fair values of the derivative liabilities on the exit clauses. At each meeting, the GCFO highlighted the significant estimates and critical judgements made in ascertaining the fair values of the derivative liabilities.

2. Assessing Risks and Control Environment

(a) The AC also reviewed with GIAD, the adequacy and robustness of the internal control system and the risk management framework.

(b) On 25 February 2022, the AC was briefed by the External Auditors on the improvements recommended for the Group's cybersecurity system consequent to their IT financial audit. At the Meeting, the External Auditors reported that there were no significant weaknesses in the Group's overall internal control systems.

3. Evaluating the Internal and External Audit Process**(a) Internal Audit**

(i) The AC had approved GIAD's 2022 Annual Audit Plan ("Audit Plan") at the Meeting held on 25 February 2022. The Audit Plan was developed using a risk-based audit methodology where business units and processes were selected for audit based on risk assessments carried out periodically by GIAD. The AC had reviewed the adequacy and relevance of the scope and resources allocated for the Audit Plan. The Audit Plan and its proposed audit timetable and the budgeted man-hours were subsequently approved. The Audit Plan was also reviewed on a quarterly basis taking into account any new developments which had an impact on the audit coverage.

GIAD had provided reasonable assurance to the Board and Management on the adequacy and integrity of the internal controls, risk management, governance processes and management information systems of the Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines which were consistent with the Audit Charter of GIAD and best practices.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY

B

GIAD's audit engagements for 2022 were mainly carried out to cover the following key business components:-

- Property Development
 - Tender and award processes, sales incentives and project management review
- Trading and Manufacturing
 - Key operating processes, newly acquired system/businesses, risk and internal control assessment on overseas subsidiaries and sales commission processes
- Healthcare
 - Key operating processes such as procurement, business office and inventory, cost control, support services as well as governance and compliance policies and processes.
- Leisure
 - Ticketing and collection processes, in-park revenue, operations and park safety and maintenance.
- Building Materials and Quarry
 - Key operating processes such as procurement, payments, invoicing, assets management, inventory and production.
- Information Technology (IT)
 - New systems and post implementation reviews, review of security implementation for cloud platforms and compliance to data governance framework, compliance reviews including ISO 27001 for IT Shared Services.
 - Review the processes in the Group for management of cybersecurity risks and compliance to Bank Negara regulations for certain business units.

(ii) The AC had reviewed the results of the audit engagements carried out by GIAD at the AC Meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022 as well as discussed the major findings and audit recommendations. The AC also reviewed the status of implementation of corrective actions taken by Management to ensure appropriate

remedial actions were taken on a timely basis to address all areas of risk and internal control issues. In addition, GIAD updated the AC on the progress of the 2022 Audit Plan and results of ad-hoc assignments including audit investigations.

(iii) At the Meeting held on 8 April 2022, the Internal Audit Function Evaluation Report was tabled for AC to assess the performance of GIAD. The AC had assessed the effectiveness of the internal audit function in terms of scope of work and compliance with relevant regulatory standards as well as its collaboration with the External Auditors. The Committee also assessed the adequacy of resources as well as the qualifications, skills and competencies of key staff within GIAD.

The AC was satisfied with the independence, performance and effectiveness of GIAD. It was of the opinion that the Internal Audit function was appropriate to its size, the nature and scope of its activities. GIAD had functioned independently in providing the AC and Management with critical information on potential weaknesses in the system of internal control and provided constructive inputs for remedial action. GIAD had also declared its independence and objectivity to the AC at the Meeting held on 8 April 2022.

(iv) At the AC Meeting held on 25 February 2022, the AC was briefed on the Quality Assurance Review on GIAD undertaken by KPMG Management & Risk Consulting Sdn Bhd ("KPMG"). KPMG was guided by the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") and KPMG's Strategic Performance Review of Internal Audit ("K'SPRint") methodology which was supported by a conceptual framework that identified 3 focus areas and related "driving principles", namely Positioning, People and Process.

KPMG presented the QAR on GIAD to the AC on 24 May 2022. Based on the results, KPMG reported that GIAD conformed with the requirements of IIA Standards.

The AC was further updated that GIAD had implemented all the agreed action plans following the QAR, on 23 August 2022.

(v) At the Meeting held on 24 May 2022, the AC had approved the revised Internal Audit Charter which had been aligned with the Model Internal Audit Charter issued by the IIA to ensure that the Internal Audit Charter conforms to IIA best practices. In the same Meeting, AC also approved the KPIs for GIAD for the year.

(vi) At the Meeting held on 24 May 2022, the AC reviewed the report by GIAD on its review of the Group Policy Manual and recommended the same including its updates and amendments for the Board's approval.

(vii) On 22 November 2022, the AC was briefed on the revised Guidance for an Effective Internal Audit Function 2.0 issued by the Institute of Internal Audit Malaysia (IIAM).

(viii) The AC had on 22 November 2022, met with GIAD without the presence of Management and Executive Board members to facilitate discussions of additional matters in relation to audit issues and internal control weaknesses noted in the course of its audit. The AC was given assurance by the GIAD that it had unfettered access to information required during the course of its work and was not hindered in any way by Management from performing its audit function including investigations and audit assignments.

(b) External Audit

(i) The AC met with the External Auditors, BDO, on the following dates:

- On 25 February 2022 and 8 April 2022, the AC had reviewed and deliberated with Management and the External Auditors on the External Auditors' Report in relation to their audit of the financial statements for the financial year ended 31 December 2021.

The External Auditors had confirmed their professional independence in respect to the audit engagement.

They reported their audit status and highlighted the findings on areas of significant audit attention, key audit matters and financial reporting updates. They were not aware of any non-compliance of laws and regulations, as well as any material litigations and claims against the Group other than those brought forward from prior financial years. There were no significant changes to the scope or audit approach as compared with the External Auditors' audit plans.

The AC and Management had also confirmed to the External Auditors that they were not aware of any non-compliance of laws and regulations or any significant fraud related matters.

- The AC had also on 8 April 2022, discussed with the External Auditors on the final draft of the audited financial statements of the Company for the financial year ended 31 December 2021.

The External Auditors had expressed their professional opinion that the Company's audited financial statements gave a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company in accordance with the Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016.

Based on its annual audit, the External Auditors reported the following key audit matters and its audit response in its Auditors' Report for the financial year 2021:

- Revenue recognition for property development
- Revenue recognition for construction contracts
- Partial divestment of equity interest in SHH and its subsidiaries.

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PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY



- The AC had on 22 November 2022, reviewed the External Auditors' Group Audit Planning Memorandum ("APM") for the financial year ended 31 December 2022. The APM outlined the External Auditors' engagement and reporting responsibilities, their audit approach, the materiality threshold and performance materiality, areas of significant auditor attention, their engagement team as well as audit reporting, deliverables and audit fees. The AC was also briefed on the ESG updates and BDO's Transparency Report 2021.

(ii) The AC had two (2) private sessions with the External Auditors to discuss any issues and reservations arising from their annual audit without the presence of Management and the Executive Board members on 25 February 2022 and 8 April 2022. The External Auditors were given the opportunity to raise any matters of concern arising from their audit work. They also informed that they had received full cooperation from Management and had unrestricted access to the Company's records.

(iii) At its Meeting held on 8 April 2022, the AC had reviewed the audit and non-audit fees of the External Auditors for the financial year 2021.

The AC having considered the nature, scope and amount of the non-audit fees, was satisfied that there was no conflict of interest and it would not impair the independence of the External Auditors. The audit and non-audit fees were then approved by the AC.

The AC had also duly endorsed the non-audit services to be provided by the External Auditors for the financial year 2022 at its Meeting held on 25 February 2022.

(iv) An annual assessment of the performance and effectiveness of the External Auditors in respect to their statutory audit services were conducted by the AC. The results of the evaluation were discussed at its Meeting held on 8 April 2022. Based on the assessment, the AC was satisfied with the adequacy of resources, timeliness and service quality rendered by the External Auditors.

Subsequently, the AC had recommended to the Board the re-appointment of the External Auditors for the next financial year subject to the shareholders' approval at the Company's Annual General Meeting.

4. Reviewing Related Party Transactions & Conflict of Interest Situations

(a) The AC had at its Meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022, reviewed and deliberated on any potential conflict of interest, related party transactions and recurrent related party transactions ("RRPTs").

All related party transactions and RRPTs were presented by Management to the AC for review. All transactions were found to have complied with the approved criteria as laid out in the shareholders' mandate as follows:-

- In compliance with the MMLR of Bursa Securities, relevant rules and regulations as well as the shareholders' RRPTs mandate;
- Transactions/arrangements were carried out on an arm's length basis and under normal commercial terms;
- Transactions/arrangements were done in the best interest of the Company;
- Interested Directors had disclosed their interests and abstained from deliberation and voting;
- Adequate disclosures were made via Bursa announcements, quarterly reports and the annual report; and
- Prior approval had been obtained from the shareholders, where applicable.

With the assistance of GIAD, the AC had satisfied itself on the adequacy, appropriateness and compliance of the procedures established to monitor the RRPTs.

At each Meeting, the President, supported by the Group Human Resource team, reported to the AC, whether there was any conflict of interest situations. During the year under review, several immaterial conflict of interest cases were highlighted and corresponding remedial actions were taken to resolve them.

(b) On 25 February 2022, the AC reviewed and approved the AC Statement contained in the Circular to Shareholders in respect of the proposed renewal of existing shareholders' mandate for RRPTs. At the Meeting, GIAD and Management provided the necessary assurances, that the procedure and processes of monitoring and ensuring these transactions would be entered into at arm's length basis and on normal commercial terms, were adequate and robust.

(c) The AC had on 6 July 2022, reviewed and recommended to the Board, the proposed appointment of Engie Sunway DCS Sdn Bhd (a related party) to build, own, operate and maintain and thereafter, transfer a District Cooling System; and to supply cooling energy to Sunway South Quay CP2 development, a project of Sunway South Quay Sdn Bhd (a subsidiary of the Company). Engie Sunway DCS Sdn Bhd is an associate company of Sunway Construction Group Berhad which is a related party to the Group.

(d) The AC, on 23 August 2022, reviewed and recommended for the Board's approval, the execution of the Heads of Agreement between Dongfeng Commercial Vehicle (Malaysia) Sdn Bhd ("DCVM") (a subsidiary), Mr. Lim Khoon Yee (a major shareholder of DCVM), QC Fleet Management Sdn Bhd ("QC Fleet") (a related party) and QC Car Rental Sdn Bhd (a related party) whereby DCVM would take over the distribution rights to import all DFSK Motor's electric vehicles from QC Fleet. It was a related party transaction by virtue of Mr. Lim Khoon Yee being a major shareholder of DCVM and QC Fleet.

5. Other Matters

(a) At the AC Meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022, the AC reviewed the borrowings, covenants and guarantee commitments of the Group. On 23 August 2022 and 22 November 2022, the AC also reviewed the foreign exchange risk of the Group.

(b) The AC was updated on the revised Group Policy Manual of the Company at the AC Meetings held on 25 February 2022, 8 April 2022, 24 May 2022, 23 August 2022 and 25 November 2022. The AC had reviewed and deliberated on the Group Policy Manual and recommended for the Board's approval on 23 August 2022.

(c) At the AC Meetings held on 25 February 2022, 24 May 2022, 23 August 2022 and 22 November 2022, the AC was informed that there were no breaches of the MMLR of Bursa Securities during the financial year.

(d) The AC had reviewed and recommended for the Board's approval, the Economic Sanctions Compliance Policy at its Meeting held on 8 April 2022.

(e) On 8 April 2022, the AC reviewed and recommended for the Board's approval, the Corporate Governance Overview Statement, AC Report and Statement on Risk Management and Internal Control for inclusion in the Company's Integrated Annual Report 2021.

The AC had also reviewed and recommended for the Board's approval, the Integrated Annual Report 2021 of the Company.

(f) The AC was briefed by the Company Secretary at its quarterly meetings on the following developments in regulations and laws:

- Amendments to the MMLR in relation to enhanced adviser framework, submission of corporate proposals and other amendments via Bursa Securities' letter dated 20 December 2021.
- Amendments to MMLR in relation to director appointment and independence as well as other miscellaneous changes via Bursa Securities' letter dated 19 January 2022.
- Public Listed Companies Transformation Programme.
- Letter dated 15 March 2022 from the Chairman of Bursa Malaysia Berhad urging companies to take on the sustainable and transformation journey together.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT ACCOUNTABILITY

B

(g) On 8 April 2022, the AC was briefed on the information technology and cybersecurity landscape of the Group.

(h) On 23 August 2022, the AC was briefed on the Audit Oversight Board Alerts 2021-06 on audit considerations for wholesale funds and issuance of perpetual bonds and sukuk as well as the Group's investment in wholesale funds and actions taken in respect of the said investment.

(i) The AC had on 22 November 2022, reviewed and was updated on the Group's investment in wholesale funds.

(j) On 22 November 2022, the AC had reviewed and approved its revised terms of reference.

(k) Minutes of the previous AC Meetings were tabled at the following Board Meetings by the AC Chairperson. Significant issues and concerns raised during the AC Meetings together with the accompanying recommendations were reported to the Board for decision.

OTHERS

The AC and the Head of GIAD have also been given the responsibility by the Board to monitor the implementation of the Whistleblowing Policy and Procedures, whilst duties relating to the day-to-day administration of the policy are performed by the Head of GIAD. During the financial year under review, there was one (1) case reported through the channel. GIAD had taken the necessary steps to investigate and address the complaint made in accordance with the Whistleblowing Policy and Procedures.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group's Internal Audit ("IA") function is an integral part of the assurance framework and it is performed in-house and undertaken by GIAD. The mission of GIAD is to enhance and protect Sunway Berhad Group's organisational value by providing risk-based and objective assurance, advice and insight. GIAD helps the Group to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls and governance processes. GIAD reports functionally to the AC and administratively to the Executive Chairman.

GIAD is headed by Mr. Yee Meng Haw who is a Certified Internal Auditor (CIA). He is also a member of the Malaysian Institute of Certified Public Accountant (MICPA), a member of the Malaysian Institute of Accountants (MIA) and a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA).

GIAD has 18 auditors and all of the auditors have either tertiary or professional qualifications. Some are members of Certified Information System Auditors (CISA) and Certified Internal Auditor (CIA). The Head of GIAD and the auditors have confirmed that they are free from any relationships or conflicts of interest which could impair their objectivity and independence in their audit assignments.

GIAD is a member of the Malaysian Chapter of the IIA and carries out its function based on the IIA Standards laid down in the International Professional Practices Framework (IPPF) issued by the IIA. GIAD successfully completed its external Quality Assessment Review in 2022 and continues

to meet the IIA Standards in all key aspects. GIAD carried out its activities based on a risk-based annual audit plan approved by the AC. The AC reviews annually the adequacy of the scope, function and resources of the IA, to ensure that the responsibilities of GIAD are fully discharged.

The internal audit reports arising from the audit assignments carried out in 2022 were issued to the respective business unit management for their responses and Management were made responsible to ensure that the agreed corrective actions to be taken to address the reported risks and weaknesses were taken promptly within the required timeframes. Follow-up audit engagements were carried out by GIAD to ensure that the key corrective actions were implemented appropriately. The internal audit reports were subsequently tabled to the AC for its review. The Head of GIAD has unrestricted access to the AC and reports directly to the AC Chairperson. In its current structure, the GIAD has been able to provide Directors and senior management with pertinent information about weaknesses in the system of internal control allowing Management to take prompt remedial actions.

During the financial year ended 31 December 2022 and as at the date of this report, GIAD had carried out the following activities:-

- Prepared and presented the risk-based annual internal audit plan encompassing key business segments within the Group for the approval of the AC.
- Performed audit engagements which covered reviews of internal control systems, accounting and management information systems, risk management and governance practices.
- Reviewed the audit plan in view of the disruptions caused by the COVID-19 pandemic and proposed revisions to the audit timetable for AC's approval during quarterly AC meetings.
- Revised audit approach to adopt remote auditing via virtual platforms during audit planning, execution and reporting processes. The audit coverage was also revised to focus on assessments of potential risks arising from the pandemic including areas of compliance, governance and fraud.

(e) Issued internal audit reports to the AC and Management providing results of the assessments of internal controls, identifying key areas of concerns as well as highlighting recommendations for improvements and carried out follow-up audits.

(f) Acted on suggestions made by the AC and/or senior management on concerns over operations or controls and significant issues pertinent to the Company and of the Group.

(g) Performed investigative audits on allegations of mismanagement or improper acts reported through the whistleblowing procedures and other channels.

(h) Assisted Management in performing financial due diligence reviews for acquisition of new businesses during the year.

(i) Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established to monitor the RRPTs.

(j) Reviewed risk exposures of new IT systems implemented to assess the controls that should be in place to mitigate the risks identified prior to implementation.

The costs incurred for the Internal Audit function in respect of the financial year ended 31 December 2022 including staff payroll costs and overheads amounted to RM4.47 million. The costs incurred in the previous financial year was RM3.79 million.

PERFORMANCE EVALUATION

The annual appraisal of the performance and effectiveness of the AC were undertaken by the Board. In addition, the AC members also undertook a Self and Peer Evaluation to rate each other's performance and contribution in discharging their duties and responsibilities in accordance with its TOR.

Based on the annual assessment, the Board was pleased that the AC had performed well and was effective in meeting its responsibilities as stated in its TOR.

CONTINUING EDUCATION

The details of training programmes and seminars attended by each AC member during the financial year ended 31 December 2022 are set out in the Corporate Governance Overview Statement under "Director Professional Development and Trainings".


CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS



NAVIGATING STAKEHOLDERS PRIORITIES

Sunway reviews and assesses its material issues on an annual basis to ensure that the Group identifies and serves the demand of its stakeholders. Every two (2) years, the materiality assessment is conducted with both internal and external stakeholders to identify, refine and assess potential economic and ESG material issues that may impact the Group. These material issues are aligned with the corresponding global megatrends in order to identify potential risks and opportunities for the Group. In responding to stakeholders' priorities and concerns, the Group addresses the material issues through various stakeholders' engagement strategies.

 Please refer to pages 14 to 21 for more information on Stakeholder Engagement in the Sustainability Report 2022.

INVESTOR RELATIONS AND CORPORATE WEBSITE

Sunway maintains a corporate website at www.sunway.com.my, to disseminate information and enhance communication. Sunway releases financial and material business information on a timely basis to Bursa Securities in accordance with the MMLR. These announcements are also published on the Investor Relations ("IR") portal on Sunway's website within 48 hours subsequent to the announcement. The information is easily accessible to the public.

The Group has a dedicated IR team to facilitate effective engagement with shareholders, analysts, and fund managers. The IR team supports the GCFO in ensuring active dialogues with the investment community. The public may provide feedback and/or direct any investors related enquiries to the IR team via irsunwayberhad@sunway.com.my.

 Please refer to pages 151 to 152 for more information on Investor Relations section.

CONDUCT OF GENERAL MEETINGS

The Board encourages shareholders' participation in general meetings. The AGM of the Company provides the principal forum for shareholders to share their views. It also provides open dialogue opportunity and interaction between the Board and the shareholders. The participation of shareholders, both individuals and institutions at general meetings on clarifications of pertinent and relevant information is encouraged.

In providing a more efficient and wide-spread shareholders' participation, the Company had conducted its 12th AGM virtually through live streaming and online remote voting using the Digital Ballot Form (DBF) provided by the appointed Poll Administrator for the AGM. The virtual AGM had enabled shareholders to participate remotely and safely from wherever they were. A shareholder who was not able to participate in the AGM was given the option of appointing a proxy to participate remotely and vote online on his/her behalf.


In 2022, the Company had served more than 28 days' notice for its 12th AGM scheduled on 23 June 2022. The notice period given to the shareholders had allowed them to have sufficient time to scrutinise the Annual Report and Circular to Shareholders and to make the necessary arrangements to participate in the meeting. The Company also distributed together with the notice of 12th AGM, an Administrative Guide which furnished useful information regarding the conduct of the virtual AGM such as details of the virtual meeting, shareholders' entitlement to participate and vote in the virtual meeting, their right to appoint proxy, steps and procedures to access and vote in the virtual AGM. Shareholders who are not able to participate in the meeting are allowed to appoint any person(s) as their proxies to participate, speak and vote in his or her stead at all the general meetings.

At the 12th AGM, the President's video presentation provided the shareholders, an overview of the performance of the Group and its core businesses for the financial year 2021 as well as the prospect of the Group.

The Chairman provided ample time and opportunities for the Questions and Answers session during the 12th AGM. All the Directors (except Dato' Sri Idris Jala) together with the President, GCFO, management team and External Auditors were present to respond to the queries raised by shareholders. Shareholders were also encouraged to send in their questions prior to the 12th AGM via email or through the online platform provided by the Company's Poll Administrator for the 12th AGM. All suggestions and comments given by the shareholders were also noted by Management for consideration. Due to time constraint, all the answers of the questions were posted on the Company's website after the meeting.

In addition, written queries raised by the Minority Shareholder Watch Group were presented to the shareholders at the 12th AGM together with the Group's response.

All resolutions set out in the notice of the 12th AGM were voted remotely by poll. Cygnus Technology Solutions Sdn Bhd, an independent scrutineer validated the votes for each resolution. The Company had appointed Mega Corporate Services Sdn Bhd as its Polling Administrator for the conduct of the online polling.

 The minutes of the 12th AGM is available in the Company's website at www.sunway.com.my for the information of the public.

This Corporate Governance Overview Statement was approved by the Board on 12th April 2023.



Dato' Sri Idris Jala

Independent Non-Executive Co-Chairman

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control, pursuant to Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2021, with guidance from the Statement of Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD'S RESPONSIBILITY

The Board affirms its commitment and responsibility towards effective risk management and internal control. The Board embeds risk management and internal control framework and systems into the activities, initiatives and processes of Sunway and its subsidiaries ("the Group"). The framework has been set in place by the Board to identify, evaluate, mitigate and monitor key risks faced by the Group.

The framework is designed to mitigate risks or events with significant adverse impact on the achievement of the Group's objectives and strategies. As such, it provides reasonable, but not absolute assurance, against material financial misstatement and management information and records, or against financial losses or fraud. As the business environment constantly undergoes challenges and changes, the Group's risk management and internal control framework will be constantly reviewed to ensure the systems' adequacy to address the challenges and changes.

The Board, as a whole, or through delegation to the Audit Committee ("AC") and the Risk Management Committee ("RMC"), reviews the adequacy, effectiveness and integrity of the Group's risk management and internal control systems.

The RMC oversees the Group's risk management and internal controls. Accountable to the Board of Directors, the RMC meets quarterly to:

- 1 Assess and monitor key business risks and review risk mitigation strategies;**
- 2 Review and recommend risk management strategies, policies and risk appetite; and**
- 3 Ensure infrastructure, resources and systems are in place to manage risks.**

In 2022, the RMC duly reviewed, appraised, and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the Group's risk exposure. The RMC has subsequently provided assurance to the Board that the Group's risk management framework and internal controls are operating adequately and effectively in all material aspects.

INTERNAL CONTROL SYSTEM

Planning, monitoring and reviewing of the Group's performance and conduct are done via scheduled periodic meetings of the Board, Board Committees and management. The annual Business Plan ensures that all divisions and operating subsidiaries prepare and present their respective outlook, expectations, budgets, performance and targets for the forthcoming year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Components of the Internal Control System

1. Policies and Procedures

The Group's internal control system includes formalised and documented internal policies, standards and procedures to ensure compliance with internal controls and relevant laws and regulations. It provides guidance to all divisions and operating subsidiaries to operate effectively and efficiently and respond proactively to potential business, operational, financial, compliance and other risks in achieving the Group's goals and objectives. These documents are published in the Group's web portals.

- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Biodiversity Policy
- Code of Conduct and Business Ethics
- Diversity & Inclusion Policy
- Economic Sanctions Compliance Policy
- External Auditors Policy
- Fit and Proper Policy
- Green Building Policy
- Occupational Health, Safety & Environment Policy
- Sustainability Policy
- Human Rights Policy
- Board of Directors and Board Committees Composition, Selection and Assessment Policy
- Remuneration Policy for Directors and Senior Management
- Sustainable Procurement Policy
- Water Management Policy
- Whistleblowing Policy & Procedure

2. Audit

The Group Internal Audit Department ("GIAD") carries out internal audits on divisions and operating units of the Group based on a risk-based audit plan approved annually by the AC. Quarterly reports are submitted to the AC highlighting observations, recommendations, and action plans to improve the Group's internal control system. The AC reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group. Additionally, subsidiaries accredited with certifications are audited by auditors of relevant certification bodies. Results of these audits are reported to management.

3. Risk Management

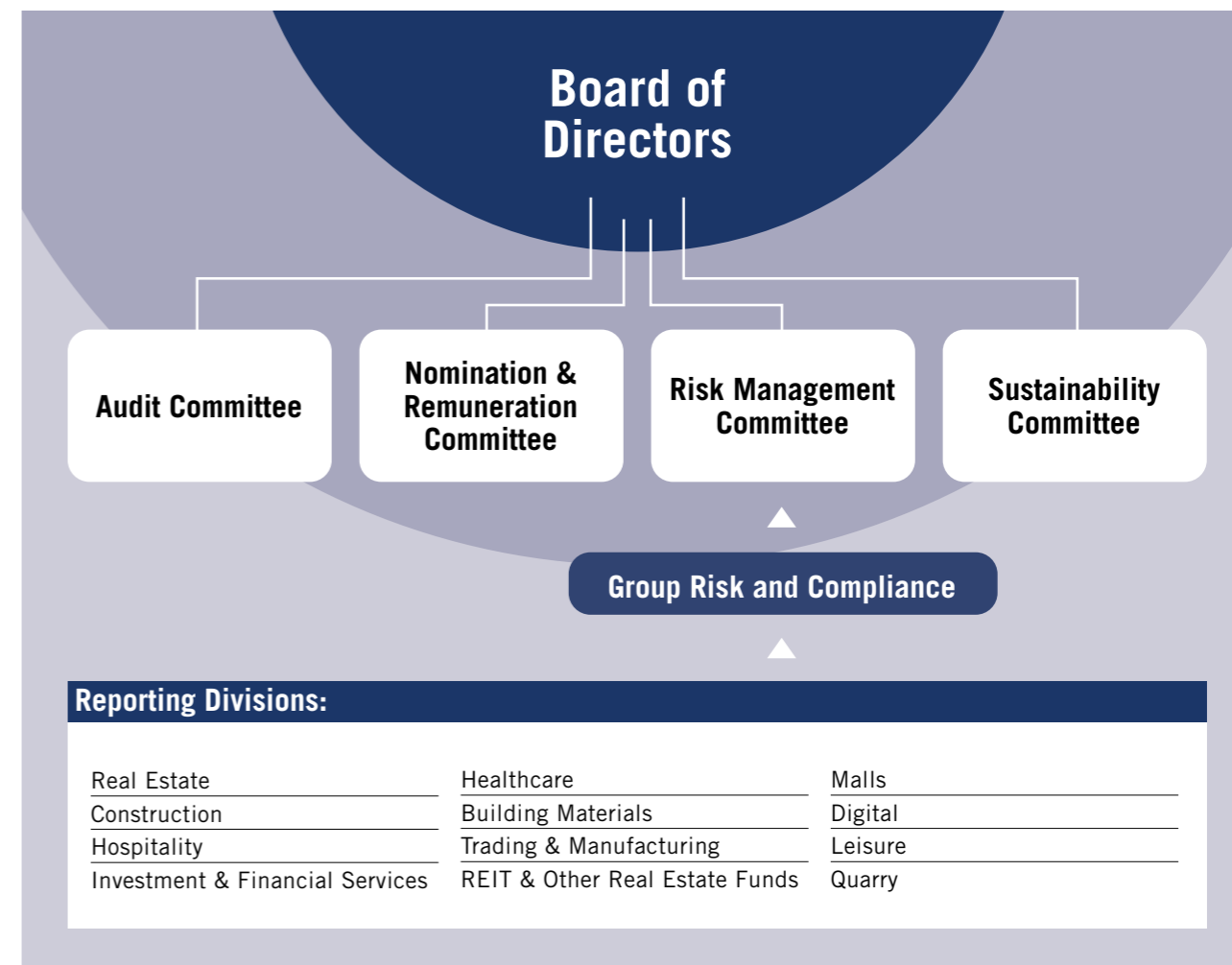
The Group's risk management framework is benchmarked against the ISO31000:2018 Risk Management – Guidelines, and is designed to embed Enterprise Risk Management ("ERM") into key activities, initiatives and processes of the Group.

Operating subsidiaries are tasked with reporting major risks on a quarterly basis to management as it aims for a holistic approach towards risk management. The respective operating subsidiaries being risk owners of their immediate sphere are responsible to develop the appropriate response strategies to mitigate risks.

In providing assurance to the RMC and the Board, the Group Risk and Compliance Department ("GRC"), continues to review the quarterly risk reports to assist in identifying and mitigating all major risks of the operating subsidiaries in the Group. The quarterly risks from all operating subsidiaries are consolidated and reported to the RMC, highlighting major risks and mitigating controls carried out.

Components of the Internal Control System

The reporting structure is as follows:



The RMC meets quarterly to deliberate on top risks identified, and its Chair subsequently updates the Board on proceedings from the RMC. Internal control and risk related matters are recommended to the Board for deliberation or approval, while matters and decisions made within the purview of the RMC are escalated to the Board for notation.

The GRC is accountable for effectiveness of the risk management framework and is independent of the risk owners - the respective heads of operating subsidiaries being such persons with vital insights of respective businesses and able to actively identify, mitigate and monitor the identified risks through decisions and actions.

Consequently, the GRC undertakes the role of assisting operating subsidiaries by identifying, quantifying, managing and mitigating critical risks, in addition to monitoring and reporting action plans prepared by the operating subsidiaries. In line with the Group's governance process, the GRC also collaborates with other support functions such as Group Brand Marketing & Communication, Group Finance, Group Internal Audit, Group IT, Group Legal, Group Procurement and Group Secretarial.

In 2022 the RMC had recommended the appointment of KPMG Management & Risk Consulting Sdn Bhd, an external consultant for the establishment of the Group Compliance Framework to review the Group's compliance towards all applicable legal and regulatory requirements, internal policies, operational guidelines and procedures. This appointment was subsequently approved by the Board at its meeting on 24 August 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Risk Factors

For the financial year under review, the following risks were most prevalent among business units in the Group. These were presented to the RMC where controls, mitigating plans and monitoring mechanisms were highlighted.

External Risks

Macroeconomic risks such as volatilities in commodity prices, interest rates and foreign exchange, inflation, labour shortage, decline in government infrastructure spending, the US-China trade tension, and the Russia-Ukraine war continue to impact the Group.

Compliance to these rules are mandatory for our stakeholders – customers, local communities, tenants, employees, contractors, suppliers and other affiliates.

Adverse weather patterns have led to increased rainfall and rising sea levels in Malaysia. The Group continues to evaluate and monitor its properties against material climate-related physical risks with mitigation action plans put in place. Going beyond, the Group is committed to continuously manage these risks and explore strategic opportunities to enhance its position as a model corporation in sustainable development by providing high quality and green products and services.

Geopolitical frictions, including the US-China trade tensions and the Russia-Ukraine war continue to disrupt global trade and supply chain and have impacted energy and food prices. Inflationary pressures have also increased, resulting in widened income inequality and increased costs of living, pushing more towards poverty.

The transition into an endemic phase of the COVID-19 pandemic brought about revised and relaxed guidelines on wearing of face masks, physical distancing, MySejahtera scanning and contact tracing, business operating hours and interstate travels. In mitigating this risk, the Group's properties, business premises, offices, production sites and factories practise strict adherence to all external and internal standards and guidelines.

In mitigating these risks, the Group explores and adopts strategies to provide value-added and sustainable products and services via Group synergies, innovation, research and development, digital transformation and exploration of new businesses and suppliers. The push towards innovation and transformation provides competitive advantage in addressing competition risks. Synergistically, the Group stand to gain via competitive costs and pricing while offering bespoke, enhanced quality, value added and sustainable products and services.

People Risks

The Group continues to focus on attracting, grooming and retaining skilled and competent employees as part of its succession planning and strengthening of the leadership pipeline. In doing so, emphasis is placed to promote and provide learning and development opportunities. The goal remains to further improve the Group's talent management structure in order to achieve full potential in terms of attracting, developing and retaining employees. Sunway remains the top pick among graduates and was recognised among the top 25 overall winners in the "Most Preferred Graduate Employers to Work For in 2023".

performance rewards, management associate programmes and leadership and learning development programmes amongst others.

Group Human Resources, together with respective divisions and operating subsidiaries are responsible to improve and enhance strategies and plans such as external collaborations and alliances, intra-Group talent development synergies,

Occupational safety and health ("OSH") is among the priorities within the Group's operational focus areas in its properties, business premises, offices, production sites and factories. Standard Operating Procedures (SOPs) are continuously benchmarked and updated with the latest releases and updates and complied with. Testament to this was the Group's achievement in winning seven (7) accolades at the Malaysian Society for Occupational Safety and Health Awards 2022 via Sunway Malls, Sunway Construction and Sunway Medical Centre. The awards further accentuate the Group's commitment towards environmental, social and corporate governance (ESG) by implementing effective OSH management to improve corporate productivity whilst cultivating a safe and healthy workforce.

Financial Risks

The Group's diverse portfolio of businesses opens it to foreign currency fluctuations and increased borrowing costs. The Ringgit, as with other regional currencies, depreciated against the United States Dollar ("USD") amidst monetary policy tightening by the United States Federal Reserve and USD strengthening, driven by moderating global growth. Where applicable, foreign exchange hedging is performed to minimise foreign exchange exposure risks. The Group's borrowings and foreign exchange exposures are updated to the RMC on a quarterly basis. For the financial year under review, the loan covenants are within the set requirements while the potential impact of foreign exchange risk towards the profitability of the Group was not material.

Regulatory Risks

The Group remains committed in mitigating risks of non-compliance to all applicable rules or regulations which its business units or joint ventures are subjected to, such as, inter-alia, anti-bribery and corruption, anti-money laundering and anti-terrorism financing, competition, personal data protection, economic sanctions and environmental and health and safety laws. Impact from new laws and regulations or updates to existing laws and regulations are assessed to ensure compliance under normal operative conditions. Policies and procedures which form part of the Internal Control System are periodically reviewed to ensure relevance, applicability and to reduce the Group's exposure to potential legal liabilities and minimise any adverse impact arising from non-compliance.

Key Risk Factors

Digital Infrastructure Risks

The Group's digital infrastructure is constantly updated and innovated upon to allow the Group to remain competitive, compliant and relevant. Cybersecurity controls are managed by Sunway Digital Hub overseen by the Group Chief Information Officer (CIO) who is a member of the PIKOM CIO Chapter and PIKOM Cybersecurity User Group. The Group CIO has a duty to inform the Board on the Group's latest cybersecurity implementations and strategies. The Group CIO also acts as the Chief Information System Officer and is a certified Information Security Management System Lead Auditor & Certified Information Systems Security Professional (CISSP).

System (ISMS). This standard provides a framework of policies and procedures that determine legal, physical and technical controls in Sunway's information risk management. To ensure the Group's Information Security is effective, Sunway Digital Hub conducts regular assessments, phishing simulation and an annual disaster recovery simulation test to examine the efficacy of the disaster recovery plan. Sunway Digital Hub is audited internally and by an external third party, as required by ISO 27001:2013.

Sunway Digital Hub is certified with ISO 27001:2013, an international standard for Information Security Management

The Group practises a culture on awareness on cyber risks, data protection and privacy. The Sunway E-Policy applies to the Group, vendors, business partners, contract personnel and all functional units.

MATERIAL JOINT VENTURES AND ASSOCIATES

This statement does not cover the risk management and internal control framework and processes of the Group's material joint ventures and associates as these areas fall within the control of their shareholders and management. The Group safeguards its interests in those entities through the appointment of representatives on their respective boards and, in certain cases, through their management or operational committees. Although the Group's Healthcare division was classified as a joint venture effective 23 December 2021, GRC will continue to review its quarterly risk reports and report its findings to the RMC.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditor has reviewed this Statement on Risk Management and Internal Control as required under Paragraph 15.23 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

THE BOARD'S CONCLUSION

The Board is pleased to report that the state of the Group's risk management and internal control framework is able to meet the Group's objective to ensure good corporate governance. For the year under review, there was no potential or present failure or weakness that would have material adverse effect on the results of the Group.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

The Board has also received assurance from the President and Group Chief Financial Officer that the Group's risk management and internal control framework is operating adequately and effectively in all material aspects. Continuous focus on measures to protect and enhance shareholder value and business sustainability will remain a core practice for the Group.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 12th April 2023.



Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling Ao
Executive Chairman

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”):-

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

- (a) On 3 November 2022, Sunway had announced that Sunway South Quay Sdn Bhd (“**SSQ**”), an indirect wholly-owned subsidiary of Sunway, had established an Islamic medium term note programme of up to RM2.0 billion in nominal value based on the Shariah Principle of Wakalah Bi Al Istithmar (“**Sukuk Wakalah Programme**”) pursuant to the Securities Commission Malaysia’s (“**SC**”) Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (issued by the SC on 9 March 2015 and revised on 28 October 2022, as amended from time to time).

There were no issuance of Islamic medium term notes during the financial year ended 31 December 2022.

- (b) On 20 April 2022, Sunway had announced that Sunway Treasury Sdn Bhd (“**Sunway Treasury**”), a wholly-owned subsidiary of Sunway City Sdn Bhd (“**SunCity**”), which in turn is a wholly-owned subsidiary of Sunway, had established a medium term note programme of up to RM3.0 billion in nominal value (“**2022 MTN Programme**”) pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

During the financial year ended 31 December 2022, Sunway Treasury had issued 1 tranche of medium term notes totaling RM500 million under the 2022 MTN Programme at various interest rates. As at 31 December 2022, the total outstanding MTNs in relation to 2022 MTN programme amounted to RM500 million.

The proceeds raised from the 2022 MTN Programme were utilised to refinance the advance which Sunway Treasury has previously granted to its wholly-owned subsidiary, Sunway Treasury Sukuk Sdn Bhd (“**Sunway Treasury Sukuk**”), for the purpose of redeeming

Sunway Treasury Sukuk’s then existing sukuk and to refinance/reimburse the capital expenditure/working capital requirements of Sunway Group.

- (c) On 10 April 2020, Sunway had announced that the Company had established a commercial paper/medium term note programme of RM2.0 billion in nominal value (“**2020 CP/MTN Programme**”) pursuant to the prevailing Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

There were no issuance of commercial papers/medium term notes (“**CP/MTN**”) during the financial year ended 31 December 2022. As at 31 December 2022, there is no outstanding CP/MTN issued under 2020 CP/MTN Programme.

- (d) On 29 January 2019, Sunway had announced that Sunway Treasury Sukuk had established an Islamic commercial paper/medium term note programme with the Shariah Principle of Mudharabah of RM10.0 billion in nominal value (“**Sukuk Mudharabah Programme**”).

During the financial year ended 31 December 2022, Sunway Treasury Sukuk had 79 issuances of Islamic Commercial Papers (“**ICPs**”) totaling RM5.705 billion under the Sukuk Mudharabah Programme at various interest rates. Sunway Treasury Sukuk had repaid RM5.935 billion of ICPs and RM220 million of Islamic medium term notes (“**IMTNs**”). As at 31 December 2022, the total outstanding ICPs and IMTNs amounted to RM591 million and RM480 million respectively.

The proceeds raised from the Sukuk Mudharabah Programme were utilised to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses relating to the Sukuk Mudharabah Programme) of the Company and/or its direct and indirect subsidiaries and including jointly controlled entities and associate companies.

- (e) On 15 December 2017, Sunway had announced that it had established a perpetual Islamic medium term note programme of up to RM5.0 billion in nominal value (“**Sunway Sukuk Programme**”) for issuance of Islamic medium term notes (“**Sunway iMTNs**”) pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

There were no issuance of Sunway iMTNs during the financial year ended 31 December 2022. As at 31 December 2022, the total outstanding Sunway iMTNs amounted to RM600 million.

The proceeds raised from the Sunway Sukuk Programme were utilised to finance investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses relating to the Sunway Sukuk Programme) of the Company and/or its direct and indirect subsidiaries and including jointly controlled entities and associate companies.

- (f) On 29 September 2017, Sunway had announced that Sunway Parkview Sdn Bhd (“**Sunway Parkview**”), a wholly-owned subsidiary of Sunway Iskandar Sdn Bhd (“**Sunway Iskandar**”), had established a medium term note programme of up to RM999.0 million in nominal value (“**Sunway Parkview MTN Programme**”) for issuance of medium term notes (“**Sunway Parkview MTNs**”) pursuant to the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework.

During the financial year ended 31 December 2022, Sunway Parkview had issued 1 tranche of Sunway Parkview MTNs totaling RM200 million under the Sunway Parkview MTN Programme at various interest rates. As at 31 December 2022, the total outstanding Sunway iMTNs amounted to RM999 million.

The proceeds raised from Sunway Parkview MTN Programme were utilised to part finance or reimburse the development expenditure incurred by Sunway Parkview and Sunway Iskandar in relation to projects in Sunway City Iskandar Puteri.

- (g) On 17 July 2017, Sunway had announced that Sunway Treasury Sukuk had received authorisation from SC to establish an Islamic medium term note programme of up to RM10.0 billion in nominal value (“**2017 Sukuk Programme**”) for issuance of unrated Islamic medium term notes (“**UiMTNs**”) via SC’s letter dated 14 April 2017.

ADDITIONAL COMPLIANCE INFORMATION

During the financial year ended 31 December 2022, Sunway Treasury Sukuk had issued 3 tranches and an additional 2 series to the existing tranches of UiMTNs totaling RM670 million under the 2017 Sukuk Programme at various interest rates and had repaid RM945 million of UiMTNs. As at 31 December 2022, the total outstanding UiMTNs amounted to RM2.27 billion.

The proceeds raised from the 2017 Sukuk Programme were utilised to finance investment activities, capital expenditure, working capital requirements including the refinancing/early redemption/buy back of Sunway Treasury Sukuk’s ICPs under its Sukuk Programme (as defined below) and/or other general corporate purposes.

- (h) On 22 August 2014, Sunway had announced that Sunway Treasury Sukuk had received authorisation from SC to establish an Islamic commercial paper/medium term note programme for issuance of ICPs and/or IMTNs under the Shariah principle of Mudharabah of up to RM2.0 billion in nominal value (“**Sukuk Programme**”) via SC’s letter dated 21 August 2014.

There were no issuance of ICPs/IMTNs during the financial year ended 31 December 2022. Sunway Treasury Sukuk had repaid RM50 million of ICPs and RM670 million of IMTNs. The Sukuk Programme has expired on 6 June 2022.

- (i) On 26 March 2013, Sunway had announced that Sunway Velocity Mall Sdn Bhd (“**SVM**”), a 59% owned joint venture company of SunCity, had received authorisation from the SC to establish a medium term note programme for the issuance of unrated medium term notes (“**UMTNs**”) of up to RM1.0 billion in nominal value (“**MTN Programme**”) via SC’s letter dated 21 March 2013.

During the financial year ended 31 December 2022, SVM had issued 1 tranche of UMTNs amounting to RM100 million and had repaid RM110 million of UMTNs. As at 31 December 2022, the total outstanding UMTNs amounted to RM700 million.

The proceeds raised from the MTN Programme were utilised to repay advances and other related costs due to Sunway Treasury for the development and operation of SVM.

ADDITIONAL COMPLIANCE INFORMATION

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2022, the total audit and non-audit fees paid or payable incurred for services rendered to the Company and the Group by the external auditors, or a firm affiliated to the external auditors are as follows:-

	Group (RM'000)	Company (RM'000)
Audit fees	4,212	432
Non-audit fees	395	4
TOTAL:	4,607	436

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed, there were no other material contracts (not being contracts entered into in the ordinary course of business) entered into by Sunway and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year ended 31 December 2022:

- (a) Build, Own, Operate and Transfer Agreement dated 20 July 2022 between SSQ and ENGIE-SUNWAY DCS Sdn Bhd ("ENGIE-SUNWAY"), a 40% owned associated company of Sunway SK Sdn Bhd which in turn is a wholly-owned subsidiary of Sunway Construction Group Berhad ("SunCon") whereby SSQ has appointed ENGIE-SUNWAY to build, own, operate and maintain a district cooling system ("DCS") and to supply cooling energy to SSQ's development known as Sunway South Quay Commercial Precinct 2 ("CP2") which comprises the proposed development of 2 office towers, a retail mall and a university ("Development") for a period of 25 years. At the end of 25 years, ENGIE-SUNWAY will transfer the DCS to SSQ.

SSQ will pay the following charges to ENGIE-SUNWAY during its operating period:-

- (i) One-time connection charge upon connection to each CP2 building in the Development based on their connected cooling capacity in Refrigerator Ton ("RT");
- (ii) Monthly energy charge based on monthly cooling consumption in RT hour; and
- (iii) Monthly demand charge based on subscribed cooling capacity in RT per month.

Relationship of related parties

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling ("Tan Sri Dr. Jeffrey Cheah"), Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih ("Sarena Cheah"), Evan Cheah Yean Shin ("Evan Cheah"), Adrian Cheah Yean Sun, Active Equity Sdn Bhd and Sungei Way Corporation Sdn Bhd are major shareholders of Sunway and SunCon. Tan Sri Dr. Jeffrey Cheah and Sarena Cheah are also Directors of Sunway.

Evan Cheah is a Director of SunCon.

Tan Sri Dato' (Dr.) Chew Chee Kin is a Director of Sunway and SunCon.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

The details of the recurrent related party transactions are disclosed in Note 50 of the Notes to the Financial Statements.

INVESTOR RELATIONS

IR INITIATIVES IN FY 2022

The investor relations ("IR") landscape has gradually improved in FY 2022, allowing for more face-to-face interactions with the investing community. The Group believes that by maintaining a consistent and extensive communication with its shareholders as well as with the general investing public through various communication channels, it would enhance their understanding of the Group's financial performance, business outlook and prospects, strategic direction, risk factors and challenges hence, improving their ability in making informed investment decisions.

With the COVID-19 pandemic transitioning to the endemic phase, the Group had conducted various site visits for investors and analysts to provide valuable visual perspective on the strategic location, connectivity and seamless integration of Sunway's portfolio. The investors and analysts are updated on the development progress and future plans through these site visits. During the financial year, Sunway Medical Centre Sunway City and Sunway City Iskandar Puteri Johor gained the most investors' interest with a total of 6 visits in 2022.

The Group had also participated in two virtual investor conferences organised by local and foreign brokerage houses. The GCFO and IR team engaged regularly with the local and foreign analysts and fund managers to present on the results, performance and prospects of the Group, and responded to any queries raised during the meetings. The IR team conducted 11 group and one-on-one meetings in FY 2022.

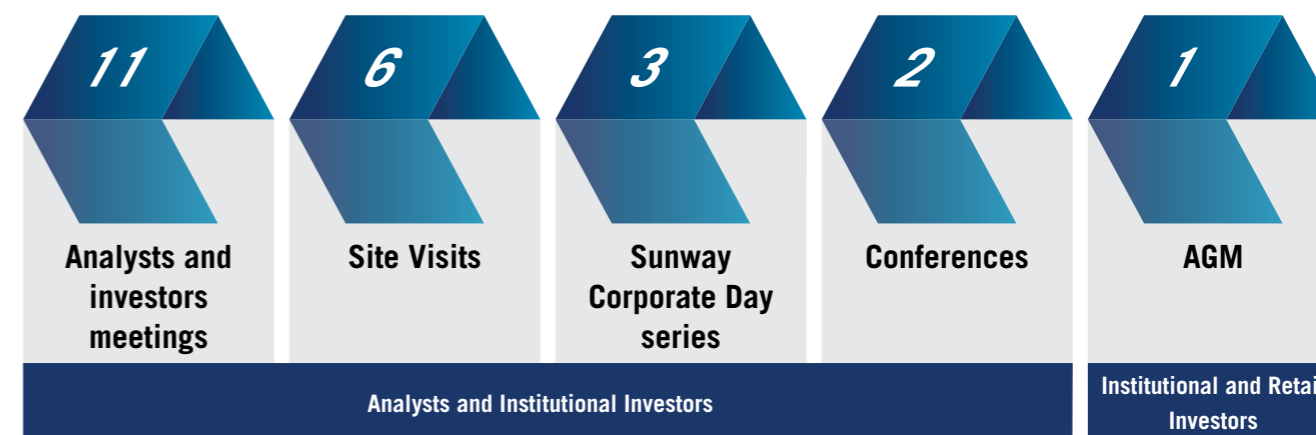
The Group launched its inaugural Sunway Corporate Day Series in FY 2022 to provide insights of divisional business operations and strategies as well as the Group's sustainability strategies to the investing community. The Sunway Corporate Day will be an annual event with a series of engagement activities. The programme will feature corporate leaders from Sunway's core divisions sharing key highlights and strategies of their respective divisions.

In addition to business and operational updates, the Group also emphasises on communicating its sustainability goals and targets to the investing community. With the growing adoption of ESG focus among investors, the importance of the Group's sustainability initiatives have become more apparent. A company's ESG performance and agenda are becoming fundamental assessments, as well as a key criterion for access to capital markets and financing.

The first two sessions of the Sunway Corporate Day Series 2022 focused on Healthcare where the participants engaged with the President of Sunway Healthcare Group and his team for a briefing session and a tour of the Sunway Medical Centre at Sunway City. The third session organised was focused on Sustainability, where the Executive Director at Chairman Office of Sunway shared Sunway's sustainability journey and goals towards achieving net zero carbon by 2050. Participants were also given the opportunity to ride on the electric Bus Rapid Transit (BRT) which uses a dedicated elevated track around Sunway's smart and sustainable city and visited several sustainability initiatives which Sunway had embarked on such as composting and urban farming.

From these engagements, the Board will gain shareholders' feedback and area of interests, which will be taken into consideration for the Group's future strategies.

In FY 2022, the IR team initiated and/or participated in 23 investor-related engagements as follows:



Aside from the Sunway Corporate Day and site visits, all other engagements with investors, analysts, shareholders, the media and others were conducted through virtual platforms.

INVESTOR RELATIONS

INVESTORS' PERCEPTIONS OF SUNWAY


There were 11 research coverage for Sunway in FY 2022. The reduction in research coverage in comparison to FY 2021 was due to the closure of a research house in FY 2022. Sunway aims to expand its research coverage in order to broaden its reach to larger group of investors, both domestic and international.

	FY 2022	FY 2021
Number of research coverage	11	12
Average target price (RM)	2.10	2.11
Analysts' recommendation:		
Buy / Outperform	8 (73%)	9 (75%)
Hold / Neutral	3 (27%)	3 (25%)

Research Coverage in 2022:

Affin Hwang Investment Bank	Maybank Investment Bank
AmlInvestment Bank	MIDF Amanah Investment Bank
CGS-CIMB Securities	RHB Investment Bank
CLSA Securities	TA Securities
Hong Leong Investment Bank	UOB KayHian
Kenanga Investment Bank	

COMMUNICATION CHANNELS

BRIEFING PACKS, FLASH NOTES	QUARTERLY RESULTS AND ANNUAL REPORT	IR PORTAL AND EMAIL
<p>Sunway releases financial and material business information on a timely basis to Bursa Securities in accordance with the MMLR.</p> <p>These announcements are also published on the IR portal on Sunway's website within 48 hours of any announcement made.</p> <p>Subsequently, information in the form of briefing packs and flash notes are immediately disseminated to analysts, media and other parties.</p> <p>Analyst briefings are also arranged as and when necessary towards providing timely and transparent market disclosure.</p>	<p>The Group announces its quarterly financial performance and also publishes a comprehensive annual report for the benefit of shareholders, in line with Bursa Securities' MMLR.</p> <p>The annual report provides a detailed review of the Group's performance as well as insights into the outlook and prospects of Sunway for the forthcoming financial year.</p>	<p>The Group's IR portal is the go-to page for comprehensive IR-related information. Information about the share prices, latest announcements, quarterly results and financial highlights, latest and past annual reports, investor presentation decks and more is available in the portal.</p> <div style="border: 1px solid #ccc; padding: 10px; margin-top: 20px;"> <p> The IR portal can be accessed via: http://www.sunway.com.my/investor-relations/.</p> <p>Any enquiries on investor related matters may be directed to the IR team via: irsunwayberhad@sunway.com.my.</p> </div>

DIRECTORS' RESPONSIBILITY STATEMENT FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 (the "Act") to prepare the financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards and International Financial Reporting Standards, the requirements of the Act in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have:

- (i) Adopted appropriate accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent; and
- (iii) Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

FINANCIALS

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- 356 [List of Material Properties](#) 

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are mainly construction, property development and management, property investment, hospitality and leisure related services, pharmaceutical, trading and manufacturing, financial and credit related services, quarry and investment activities.

Further details of the subsidiaries are set out in Note 51 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit before tax	920,051	39,906
Income tax expense	(166,951)	(6,428)
Profit for the financial year	753,100	33,478
Profit attributable to:		
Owners of the parent	676,845	33,478
Non-controlling interests	76,255	-
	753,100	33,478

DIVIDENDS

The dividends paid, declared or proposed by the Company since the end of the previous financial year were as follows:

	RM'000
In respect of financial year ended 31 December 2021:	
Single-tier second interim cash dividend of 1.5 sen per ordinary share, paid on 14 April 2022	73,336
Preferential dividend of 5.25% per annum based on the issue price of RM1 per irredeemable convertible preference share ("ICPS") for the period from 1 July 2021 up to and including 31 December 2021, paid on 14 April 2022	25,667
In respect of financial year ended 31 December 2022:	
Single-tier first interim cash dividend of 2.0 sen per ordinary share, paid on 6 October 2022	97,781
Preferential dividend of 5.25% per annum based on the issue price of RM1 per ICPS for the period from 1 January 2022 up to and including 30 June 2022, paid on 6 October 2022	25,667
Total dividends paid	222,451

RM'000

DIRECTORS' REPORT (CONTD.)**DIRECTORS' REPORT (CONTD.)****DIVIDENDS (CONTD.)**

On 23 February 2023, the Board of Directors declared a single-tier second interim dividend of 3.5 sen per ordinary share of the Company ("Second Interim Dividend") and a semi-annual preferential dividend of 5.25% per annum based on the issue price of RM1 per ICPS for the period from 1 July 2022 up to and including 31 December 2022, in respect of the financial year ended 31 December 2022.

Accordingly, the entitled shareholders of the Company will receive the Second Interim Dividend, which comprise cash portion of 1.5 sen per ordinary share ("Non-Selectable Portion") to be paid in cash and an selectable portion of 2.0 sen per ordinary share ("Selectable Portion") in accordance with the Dividend Reinvestment Scheme ("DRS"). The entitled ICPS shareholders of the Company will receive preferential dividend in cash amounting to approximately RM25,667,000 on 13 April 2023.

The DRS which was approved by the shareholders of the Company at the Extraordinary General Meeting held on 26 June 2014, will apply to the Selectable Portion of the Second Interim Dividend, which provides the shareholders of the Company with an option to elect to reinvest their cash dividends into new ordinary shares, in lieu of receiving cash.

Bursa Malaysia Securities Berhad had, vide its letter dated 8 March 2023, approved the Company's application for the listing and quotation of up to 104,153,259 new ordinary shares to be issued by the Company pursuant to the DRS in respect of the Second Interim Dividend on the Main Market of Bursa Securities.

The issue price of the new ordinary shares has been fixed on 21 March 2023 ("Price Fixing Date") at RM1.38 per new ordinary share. The issue price is fixed based on the five (5) day volume weighted average market price ("VWAMP") of ordinary shares in the Company ("Sunway Shares") of RM1.5645 up to and including the Price Fixing Date after adjusting for the following:

- (i) the Second Interim Dividend of RM0.035 per ordinary share to the five (5) day VWAMP of Sunway Shares ("Ex-Dividend VWAMP"); and
- (ii) a discount of RM0.1495, which is approximately 9.77% discount to the Ex-Dividend VWAMP of RM1.5295.

The books closure date for the Second Interim Dividend has been fixed on 5 April 2023 and will be paid on 5 May 2023. The new ordinary shares will be listed on 8 May 2023.

Under the DRS, each shareholder will have the following options in respect of the Selectable Portion:

- (a) to elect to participate by reinvesting the whole of the Selectable Portion into new ordinary shares at the issue price and to receive the Non-Selectable portion in cash;
- (b) to elect to participate by reinvesting part of the Selectable Portion into new ordinary shares at the issue price, and receive the remaining portion of the Selectable Portion and Non-Selectable Portion in cash; or
- (c) to elect not to participate in the reinvestment option and thereby receive the entire Second Interim Dividend entitlement in cash.

Any amount of dividend payment that is insufficient for issuance of one (1) board lot will be paid in cash to the shareholders of the Company.

The dividends will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2023. The Board of Directors does not propose any final dividend for the financial year ended 31 December 2022.

ISSUE OF SHARES AND SHARES BUY-BACK

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM6,371,668,000 to RM6,371,676,000 by way of issuance of 5,292 new ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.49 per ordinary share for cash.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

- (b) As at 31 December 2022, the Company held a total of 45,004,665 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,934,079,496 ordinary shares. Such treasury shares are recorded at a carrying amount of RM74,335,169 (2021: RM74,335,169).

The Company did not make any purchase of its own shares during the financial year.

WARRANTS 2017/2024

On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll for warrants dated 19 September 2017 ("Deed Poll") in the event of any alteration to the share capital of the Company.

On 11 November 2020, the Company issued 39,555,548 additional warrants arising from the adjustments to the exercise price and the number of outstanding warrants in accordance with the provisions of the Deed Poll dated 19 September 2017 constituting the warrants, pursuant to the renounceable rights issued of new ICPS undertaken by the Company.

During the financial year, 5,292 new ordinary shares of RM1.49 each were issued pursuant to the exercise of Warrants 2017/2024 for the equivalent numbers by the registered holders.

On 4 October 2022, the exercise price of warrants had been adjusted from RM1.49 to RM1.42 each pursuant to a fixed annual step-down of RM0.07 per year on each of the anniversary dates from the first issuance of the warrants in accordance with the Deed Poll.

The number of Warrants 2017/2024 unexercised at the end of the reporting period comprises 669,365,864 warrants. The Warrants 2017/2024 will expire on 3 October 2024.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those presented in the statements of changes in equity.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' REPORT (CONTD.)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO
 Dato' Sri Idris Jala
 Tan Sri Dato' Dr. Lin See Yan
 Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
 Tan Sri Dato' (Dr.) Chew Chee Kin
 Datuk Tong Poh Keow
 Tan Sri Jamaludin Bin Ibrahim
 Dr. Philip Yeo Liat Kok
 Sarena Cheah Yean Tih
 Datuk Zaiton Binti Mohd Hassan (Appointed on 8 March 2022)
 Tan Sri Datuk Seri Razman M Hashim (Retired on 23 June 2022)

In accordance with Clause 106 of the Constitution of the Company, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dr. Philip Yeo Liat Kok retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Tan Sri Dato' Dr. Lin See Yan who also retires by rotation pursuant to Clause 106 of the Company's Constitution, has expressed his intention not to seek for re-election at the forthcoming Annual General Meeting. Hence, he will retain office until the close of the forthcoming Annual General Meeting.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the ICPS and warrants issued as disclosed in Note 50 to the financial statements.

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 50 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in ordinary shares, ICPS, non-cumulative convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
The Company				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	115,206,913	-	-	115,206,913
Tan Sri Dato' Dr. Lin See Yan	1,000,000	-	-	1,000,000
Tan Sri Dato' (Dr.) Chew Chee Kin	21,038,466	-	-	21,038,466
Sarena Cheah Yean Tih	5,248,592	-	-	5,248,592
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^a	2,984,002,520	17,121,000	-	3,001,123,520
Tan Sri Dato' (Dr.) Chew Chee Kin ^b	1,564,862	-	-	1,564,862
Sarena Cheah Yean Tih ^c	3,089,768,417	17,121,000	-	3,106,889,417

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
Immediate holding company				
Sungei Way Corporation Sdn. Bhd.				
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^d	10,000,000	-	-	10,000,000
Sarena Cheah Yean Tih ^e	10,000,000	-	-	10,000,000

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
Ultimate holding company				
Active Equity Sdn. Bhd.				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	102,000	-	-	102,000
Sarena Cheah Yean Tih	25,500	-	-	25,500
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^f	68,000	-	-	68,000
Sarena Cheah Yean Tih ^g	102,000	-	-	102,000

Sunway Berhad

Integrated Annual Report 2022

DIRECTORS' REPORT (CONTD.)

DIRECTORS' REPORT (CONTD.)

DIRECTORS' INTERESTS (CONTD.)

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in ordinary shares, ICPS, non-cumulative convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
Related Corporation				
Sunway Construction Group Berhad				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	7,923,892	-	-	7,923,892
Tan Sri Dato' Dr. Lin See Yan	10,000	-	(10,000)	-
Sarena Cheah Yean Tih	57,727	-	-	57,727
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^h	833,629,588	-	-	833,629,588
Sarena Cheah Yean Tih ⁱ	841,482,416	-	-	841,482,416

	Number of ordinary shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
Related company				
Sunway Global Limited				
Direct interest:				
Tan Sri Dato' (Dr.) Chew Chee Kin	689,183	-	-	689,183

	Number of irredeemable convertible preference shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
The Company				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	42,361,082	-	-	42,361,082
Tan Sri Dato' (Dr.) Chew Chee Kin	4,207,692	-	-	4,207,692
Sarena Cheah Yean Tih	1,049,718	-	-	1,049,718
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^o	636,327,601	8,922,900	-	645,250,501
Tan Sri Dato' (Dr.) Chew Chee Kin ^b	312,972	-	-	312,972
Sarena Cheah Yean Tih ^c	676,809,926	8,922,900	-	685,732,826

DIRECTORS' INTERESTS (CONTD.)

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in ordinary shares, ICPS, non-cumulative convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

	Number of non-cumulative convertible redeemable preference shares			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
Immediate holding company				
Sungei Way Corporation Sdn. Bhd.				
Direct interest:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	300,000,000	-	-	300,000,000
Deemed interest:				
Sarena Cheah Yean Tih ^e	300,000,000	-	-	300,000,000

	Number of warrants 2017/2024			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
The Company				
Direct interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	34,611,993	-	-	34,611,993
Tan Sri Dato' (Dr.) Chew Chee Kin	2,818,169	-	-	2,818,169
Sarena Cheah Yean Tih	703,065	-	-	703,065

	Number of warrants 2017/2024			
	As at 1.1.2022	Acquired	Sold	As at 31.12.2022
The Company				
Deemed interests:				
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^l	435,046,372	-	-	435,046,372
Tan Sri Dato' (Dr.) Chew Chee Kin ^m	209,618	-	-	209,618
Sarena Cheah Yean Tih ⁿ	468,393,711	-	-	468,393,711

^o Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Jef-San Enterprise Sdn. Bhd. and children.

^b Deemed interest by virtue of Section 59(11)(c) of the Companies Act 2016 held through spouse.

^c Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Jef-San Enterprise Sdn. Bhd., spouse and parent.

^d Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and children.

^e Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd. and parent.

^f Deemed interest by virtue of Section 8 of the Companies Act 2016 held through children.

^g Deemed interest by virtue of Section 8 of the Companies Act 2016 held through parent.

^h Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd. and children.

ⁱ Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., Sunway Berhad, Sunway Holdings Sdn. Bhd., spouse and parent.

^j Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd. and children.

^k Deemed interest by virtue of Section 8 of the Companies Act 2016 held through Active Equity Sdn. Bhd., Sungei Way Corporation Sdn. Bhd., spouse and parent.

DIRECTORS' REPORT (CONTD.)**DIRECTORS' REPORT (CONTD.)****DIRECTORS' INTERESTS (CONTD.)**

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in ordinary shares, ICPS, non-cumulative convertible redeemable preference shares and warrants in the Company and its related corporations during the financial year were as follows: (contd.)

By virtue of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling's and Sarena Cheah Yean Tih's substantial interests in the Company and Active Equity Sdn. Bhd., they are deemed to have interest in the shares of all the subsidiaries of the Company and Active Equity Sdn. Bhd. to the extent the Company and Active Equity Sdn. Bhd. have an interest.

The other Directors in office at the end of the financial year did not have any interests in ordinary shares, ICPS, non-cumulative convertible redeemable preference shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATION

Directors' remuneration of the Company for the financial year ended 31 December 2022 were as follows:

	RM'000
Executive Directors	
Fees	100
Emoluments	36,492
Estimated money value of benefits-in-kind	111
	36,703
Non-Executive Directors	
Fees	1,058
Other emoluments	238
	1,296
Total Directors' remuneration	37,999

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

The Group and the Company effected Directors' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors. The amount of insurance premium paid by the Group and the Company for the financial year 2022 was RM82,019.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION**(I) As at the end of the financial year**

- (a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) As at the date of this report

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONTD.)

DIRECTORS' REPORT (CONTD.)

LIST OF DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows:

Adly Sham Bin Che Din
Adrian Cheah Yean Sun
Adrian Lim Tiong Yeau
Alicia Chow Rue Huey ^ #
Aminah Binti Noordin
Anne Marie Tan Hwee Hwee
Azlina Binti Jaapar
A.Thirumahal A/P S.Anandhanadarajah #
Beh Soo Ming #
Bernard Anand A/L Paul
Bhawarlal H Jain
Cha Luan Kee
Chan Hoi Choy
Chan Tack Ming
Chang Kim Long
Che Rozita Binti Abd Aziz
Chen Chow Kyan
Chen Kok Peng #
Chen Lee Lee ^ ##
Chen Yau Shiung
Cheng Jew Keng
Cheong Chee Leng
Chew Chor Eng
Chew Pek Teong
Chia Hon Yuen
Chin Teck Seng
Chong Chang Choong
Chong Pui See ^
Chong Sau Min
Choy Le Roy #
Chu Yuen Leng
Chu Yuen Mun #
Chua Seng Teong
Chung Soo Kiong
Chuw Yih Min ^
CoSign Services Limited
Datin Paduka Norazlina Binti Zakaria
Dato' Chen Way Kian
Dato' Chong Yong Han
Dato' Dr. Ir Johari Bin Basri
Dato' Ir Goh Chye Koon
Dato' Marco Low Peng Kiat
Dato' Ng Tiong Lip
Dato' Siow Kim Lun @ Siow Kim Lin
Dato' Tan Kia Loke
Datuk Lim Lian Kheng
Datuk Mohamad Zamree Bin Mohamad Ishak
Datuk Seri Low Wui Keong

Dodda Lingamurthy
Dr. Sarinder Kumari A/P Oam Parkash
Dr. Tan Kok Heng
Elaine Lai Ee-Ling ^
Eric Tan Chee Hin
Evan Cheah Yean Shin
Fong Choon Fuoi
Fong Foo Tat
Fong Teck Keng
Foo Shiang Wyne
Foo Yoon Seong
Foong Wooi Fatt
Gerard Soosay A/L Soosay Muthu +
Goh Geok Chuan
Goh Hai Thun @ Ng Hai Thun
Gunawan Sukardi Subur
H.E Nhean Leng
H.E Sok An
Hau Lian Hong
Heng Swee Lian
Ho Ch'an Hin
Ho Poo Hong
Hong Eng Heng
Hoo Han Huat
Hor Chee Hong
How May Lynn
Intertrust (UK) Limited ^
Izzat Emir Aziz Bin Fawzi
Jegatheesan A/L Achelingam
Johnas Tahan Siahaan
Jonathan Tay Kong Seng
Kelly Leong Wai Keong
Khaou Phallaboth
Khoo Chai Ee
Khoo Min Sinn
Khor Seng Yan
Khor Woon Kai ^
Kok Shin Lin
Kon Yoon Pin
Kong Beng Kuin
Kong Heong Fook #
Koo Sow Ming
Krishnakumar A/L Chelliah ^
Kumaresan A/L Varadu Rasu
Kwon Il Park
Kwon Ouk Park
Kwong Tzyy En
Lang Leong Cheng

LIST OF DIRECTORS OF SUBSIDIARIES (CONTD.)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows: (contd.)

Lang Leong Hai
Lee Boon Chuan
Lee Boon Kwang
Lee Chuan Seng
Lee Kar Loon ^
Lee Kee Keat
Lee Kok Chiew
Lee Soo Ping
Lee Soong Hwa
Lee Sung Li ^
Lee Sze Ying ^
Letchumy A/P Adekan ^
Liew Chee Choong
Liew Jin Song
Liew Kok Wing
Lim Chee Siang
Lim Chin Huat
Lim Chin Khuan
Lim Ee Foong
Lim Fung Ee
Lim Hai Poh
Lim Khoon Yee @ Lim Choon Kow
Lim Kim Wong
Lim Kuan Poh
Lim Kwee Hiong
Lim Li Qi
Lim Li Yong
Lim Vin Tze
Liow Chee Hang ^
Loh Chon Fei
Loo Bit Sin
Lum Tuck Ming #
Matthijs Geert-Jan Van Leeuwen
Nabilah Farhanah Binti Tajul Ariffin
Ng Bee Lien #
Ng Boon Liang
Ng Chee Hing #
Ng Chee Hwa
Ng Chong Beng
Ng Chun Lieh
Nicholas Manevski
Oh Keng Jin
Oknha Sour Pheng
Ong Pang Yen
Ong Sin Moy ^
Ooi Hooi Inn
Pathuri Veera Anjaneyulu
Phang Sau Lian

Phua Swee Hock
Phuan Ke Shin
Poh Siau Jane
Quah Kok Heng
Quet Foong
Rosario Castaldi ^
Saisuda Needham
Samuel Ching Lee Yuen
Sankarnarayanan Ramanathan
Sing Chui Boon
Soo Chin Kang
Spread Services Limited
Subba Rao Semenchalam
Sum Kwai Mun
Tan Beng Kwee
Tan Chuan Yong ^
Tan Eng Koon #
Tan Guat Hua
Tan Hwa Chuan
Tan Ju Chiaie
Tan Kim Yoke
Tan Lay Kuan
Tan Ler Chin
Tan Poh Chan #
Tan Siew Hin
Tan Sri Dato' (Dr.) R.V. Navaratnam #
Tan Sri Datuk Chen Lok Loi
Tan Sri Datuk Seri Razman M Hashim
Tan Wan San
Tan Yit Chong
Tang Choong Shyuan ^
Teo Siew Foun
Teoh Joo Keng
Teoh Kok Lin
Thomas Samuel A/L C T Samuel #
Toh Seok Leng
Toh Soon Seng
Tong Sau Ching
Tuan Haji Suhaimi Bin Haji Kasdon
Tuan Ir. Haji Md Kamarzan Bin Md Rais
U Than Oo
Wai Sow Fun #
Wayne Chong Wee Earn
Winnie Siaw Fui Ha ^
Wong Ban Seng #
Wong Foo Jye
Wong Fook Chai
Wong Kok Leong

DIRECTORS' REPORT (CONTD.)

DIRECTORS' REPORT (CONTD.)

LIST OF DIRECTORS OF SUBSIDIARIES (CONTD.)

Pursuant to Section 253 of the Companies Act 2016 in Malaysia, the list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report is as follows: (contd.)

Wong Kong San	Yap Gee Tian
Wong Kwan Song	Yau Meng Sze
Wong Kwong Fei	Yeoh Aik Hong
Wong Wan Wooi	Yeoh Kar Wuen
Woo Keen Seng	Yeoh Yuen Chee
Woo Keen Yau	Yeow Boon Ban
YAM Tengku Kamil Ismail Bin Tengku Idris Shah	Yip Lai Hun [^]
Yap Chong Koon	Yong Num Heng

[^] Appointed during the financial year

[#] Resigned during the financial year

^{**} Resigned after the financial year but before the date of this report

^{*} Appointed as alternate director during the financial year

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent to the end of the reporting period were as follows:

(a) Changes in the composition of the Group

- (i) Deemed acquisitions of subsidiaries, which were previously joint ventures of the Group

During the financial year, the Group has entered into Supplemental Letter Agreements with respective joint venturers of Sunway Artessa Sdn. Bhd. ("Sunway Artessa"), Sunway Velocity Two Sdn. Bhd. ("Sunway Velocity Two") and Daksina Harta Sdn. Bhd. ("Daksina Harta") to vary certain terms in respective Subscription and Shareholders' Agreements, which resulted in the Group obtaining controls of Sunway Artessa, Sunway Velocity Two and Daksina Harta in accordance with MFRS 10 *Consolidated Financial Statements*.

Accordingly, Sunway Artessa, Sunway Velocity Two and Daksina Harta became subsidiaries of the Group and have been consolidated in the financial statements of the Group for the financial year ended 31 December 2022.

The financial effects on the changes in the composition of the Group arising from the remeasurements of the previously held equity interests in Sunway Artessa, Sunway Velocity Two and Daksina Harta are disclosed in Note 20 to the financial statements.

- (ii) Changes in equity interests in subsidiaries, namely Multicare Health Pharmacy Sdn. Bhd. and World Medicare Supplies Sdn. Bhd.

Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company had on 30 December 2022 entered into a Supplemental Agreement ("SA") to vary the terms of the Sale and Purchase Agreement ("SPA") dated 21 May 2021 and to revise the original acquisition stakes in Multicare Health Pharmacy Sdn. Bhd. ("Multicare Health Pharmacy") and World Medicare Sdn. Bhd. ("World Medicare"), which involves cancellation of the second and third tranche purchase consideration, followed by determination of the new indicative purchase consideration on the additional ordinary shares to be acquired by SHSB. Following the variation, SHSB's equity interests in Multicare Health Pharmacy and World Medicare were revised downward from 98.8% to 78.8% and from 100% to 80% respectively.

Prior to the aforesaid variation, SHSB had entered into Share Sale Agreements to acquire a total of 12,000 ordinary shares in Multicare Health Pharmacy on 7 March 2022, which increases SHSB's total equity interest in Multicare Health Pharmacy from 96.4% to 98.8%.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

Significant events during the financial year and subsequent to the end of the reporting period were as follows: (contd.)

(b) Proposed acquisition of lands and buildings by Sunway Medical Centre Sdn. Bhd. from RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) ("Proposed Acquisition")

On 29 December 2022, Sunway Medical Centre Sdn. Bhd. ("SMCSB"), a 99.99%-owned subsidiary of Sunway Healthcare Holdings Sdn. Bhd., which in turn a 84%-owned joint venture of Sunway City Sdn. Bhd., had entered into a Conditional Sale and Purchase Agreement ("SPA") with RHB Trustees Berhad ("RHB Trustees") for the acquisition of lands and buildings known as "Tower A & B of Sunway Medical Centre", together with the plant and machinery and all fixtures and fittings affixed or located or used in the buildings ("Property") for a total purchase consideration of RM430.0 million. The Property was leased and used by SMCSB to operate a medical centre. The Proposed Acquisition is expected to be completed in the first half of the financial year ending 31 December 2023, subject to the fulfillment of all conditions precedent of the SPA and authorities' approval.

SMCSB has previously recognised the lease liabilities of Tower A & B of Sunway Medical Centre with the assumption that the lease term, will be extended upon its maturity on 30 December 2022. Following the Proposed Acquisition, SMCSB had reassessed the lease term and has taken the short term lease exemption upon the lease maturity on 30 December 2022. The lease reassessment had resulted in a gain of RM57.5 million being recognised in the financial statements of SMCSB during the financial year. Consequently, the Group had shared the proportionate gain of RM48.3 million to profit or loss based on equity method of accounting for the financial year ended 31 December 2022.

Detailed information of the significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 53 to the financial statements.

HOLDING COMPANIES

The immediate and ultimate holding companies of the Company are Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

AUDITORS

The auditors, BDO PLT (20190600013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Statutory audit		
- BDO PLT	2,906	432
- Member firms of BDO PLT	1,009	-
- Other auditors	297	-
	<u>4,212</u>	<u>432</u>

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2023.

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling Ao

Tan Sri Dato' (Dr.) Chew Chee Kin

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Tan Sri Dato' (Dr.) Chew Chee Kin, being two of the Directors of Sunway Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 174 to 355 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2023.



Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO



Tan Sri Dato' (Dr.) Chew Chee Kin

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Chong Chang Choong, being the officer primarily responsible for the financial management of Sunway Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 174 to 355 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Chong Chang Choong at Petaling Jaya in the State of Selangor Darul Ehsan on 12 April 2023.



Chong Chang Choong

Before me,



No. 71-1, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD

(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sunway Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 174 to 355.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for property development

Revenue from sale of properties under development during the financial year as disclosed in Note 5 to the financial statements is RM1,099,177,000.

We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)
(INCORPORATED IN MALAYSIA)****Key Audit Matters (contd.)****(a) Revenue recognition for property development (contd.)****Audit response**

Our audit procedures included the following:

- (i) reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;
- (ii) assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group;
- (iii) inspected documentation to support cost estimates made including contract variations and cost contingencies;
- (iv) compared contract budgets to actual outcomes to assess reliability of management budgeting process and controls; and
- (v) recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs.

(b) Revenue recognition for construction contracts

Revenue from construction contracts during the financial year as disclosed in Note 5 to the financial statements is RM1,189,695,000.

We determined this to be a key audit matter because it requires management to exercise significant judgements in estimating the progress towards complete satisfaction of performance obligations and determining whether there is any exposure to liquidated ascertained damages ("LAD"). The progress towards complete satisfaction of performance obligations is measured using the output method, which is based on contract work certified to date over the estimated total contract sum.

In estimating the progress towards complete satisfaction of performance obligations, the Group considers the estimated contract work completed to date and the completeness and accuracy of its estimated total contract sum, including contract variations, claims and contingencies.

Audit response

Our audit procedures included the following:

- (i) inspected documentation to support the estimated total contract sum and correspondences from contract customers in relation to variations and claims to corroborate key judgements applied by management;
- (ii) inspected documentation certified by professional consultants to support the contract work performed by the Group to-date;
- (iii) recomputed the progress towards complete satisfaction of performance obligations determined by management for revenue recognition based on contract work certified to-date and budgeted total contract sum;
- (iv) inquired in-house operational and financial personnel of the Group to assess the merits of extension of time submitted to the contract customers for assessing the exposure to LAD; and
- (v) inspected relevant correspondences and reports, including on-going negotiations with contract customers for the late delivery of contract works.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.)
(INCORPORATED IN MALAYSIA)****Key Audit Matters (contd.)****(c) Valuation of derivative liabilities on exit clauses in relation to the partial divestment of Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries ("SHH Group")**

Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group represent the exit clauses attached to the Shareholders' Agreement ("SHA") and Share Subscription Agreement ("SSA") entered between the Company, Sunway City Sdn. Bhd. ("SunCity"), SHH and Greenwood Capital Pte. Ltd. ("Greenwood") following the partial divestment of 16% equity interest in SHH to Greenwood by SunCity as disclosed in Note 27 to the financial statements. The Company, SunCity, SHH and Greenwood had entered into a SHA to define the rights and obligations of the shareholders of SHH. As at 31 December 2022, the fair value of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group amounted to RM223,320,000.

The determination of the fair values of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group is a key audit matter because it involves significant judgements and is subject to estimation uncertainty as subjective variables need to be used by management in order to derive the fair values. The key inputs and assumptions used in estimating the fair values include the probabilities of occurrence of the Proposed IPO, probabilities of achieving the desired Proposed IPO valuation, timing of the occurrence of Proposed IPO and discount rate.

Audit response

Our audit procedures included the following:

- (i) read and discussed with management on the contractual terms of the SSA and SHA to gain an understanding of the terms in the SSA and SHA;
- (ii) evaluated the appropriateness of the key inputs and assumptions used in deriving the fair values of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group;
- (iii) obtained computations of management in deriving the fair values of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group and compared the key inputs used against observable market data, where applicable; and
- (iv) re-computed the fair values of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group based on the above key inputs and exit clauses assumptions as at the end of the reporting period.

We have determined that there are no key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.) (INCORPORATED IN MALAYSIA)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON (CONTD.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNWAY BERHAD (CONTD.) (INCORPORATED IN MALAYSIA)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTD.)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (contd.)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

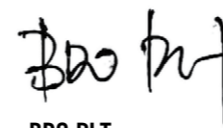
From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 51 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
12 April 2023



Lee Wee Hoong
03316/07/2023 J
Chartered Accountant

Sunway Berhad

Integrated Annual Report 2022

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations					
Revenue	5	5,194,949	3,717,308	20,000	93,400
Cost of sales	6	(3,953,791)	(2,704,917)	-	-
Gross profit		1,241,158	1,012,391	20,000	93,400
Other income	7	282,845	171,154	26,106	21,275
Administrative expenses		(485,716)	(480,832)	(18,192)	(29,138)
Net (impairment losses)/ reversals of impairment losses on financial assets and contract assets	9	(36,879)	(17,494)	(9)	2,394
Selling and marketing expenses		(168,817)	(140,520)	-	-
Other expenses		(249,123)	(216,921)	(3)	(3,109)
Operating profit		583,468	327,778	27,902	84,822
Finance and other distribution income	8	187,679	157,230	42,872	86,459
Finance costs	8	(202,150)	(102,301)	(30,868)	(40,554)
Share of results of associates, net of tax		119,270	60,168	-	-
Share of results of joint ventures, net of tax		231,784	21,024	-	-
Profit before tax	9	920,051	463,899	39,906	130,727
Income tax expense	12	(166,951)	(116,229)	(6,428)	(10,524)
Profit for the financial year from continuing operations		753,100	347,670	33,478	120,203
Discontinued operations					
Profit from discontinued operations, net of tax	13	-	104,370	-	-
Net gain on partial divestment of discontinued operations		-	2,286,116	-	-
Profit for the financial year from discontinued operations, net of tax		-	2,390,486	-	-
Profit for the financial year		753,100	2,738,156	33,478	120,203
Attributable to owners of the parent					
From continuing operations		676,845	293,504	33,478	120,203
From discontinued operations		-	2,370,942	-	-
		676,845	2,664,446	33,478	120,203
Attributable to non-controlling interests					
From continuing operations		76,255	54,166	-	-
From discontinued operations		-	19,544	-	-
		76,255	73,710	-	-
		753,100	2,738,156	33,478	120,203
Earnings per share attributable to owners of the parent (sen per share):					
Basic					
From continuing operations	14	10.66	4.50		
From discontinued operations	14	-	40.41		
		10.66	44.91		
Diluted					
From continuing operations	14	10.43	4.44		
From discontinued operations	14	-	39.94		
		10.43	44.38		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the financial year	753,100	2,738,156	33,478	120,203
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translations	28,072	39,391	-	-
Reclassification of foreign currency translation reserve to profit or loss upon partial divestment of discontinued operations	-	(3)	-	-
Cash flow hedge reserve - fair value gain/(loss)				
- Net fair value gain of derivatives	15,408	51,753	-	-
- Amounts recycled to profit or loss	(24,307)	(50,089)	-	-
Item that will not be reclassified subsequently to profit or loss				
Fair value gain/(loss) on other investments at fair value through other comprehensive income	13,154	(37,218)	-	-
Share of other comprehensive income of an associate	-	1,790	-	-
Other comprehensive income for the financial year, net of tax	32,327	5,624	-	-
Total comprehensive income for the financial year	785,427	2,743,780	33,478	120,203
Total comprehensive income attributable to:				
Owners of the parent	710,925	2,669,525	33,478	120,203
Non-controlling interests	74,502	74,255	-	-
	785,427	2,743,780	33,478	120,203

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Sunway Berhad

Integrated Annual Report 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group	
		2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	16	1,265,122	1,262,253
Intangible assets	17	63,217	56,985
Investment properties	18	2,443,181	2,186,313
Inventories	19	1,839,757	1,671,126
Investments in associates	21	2,690,651	2,709,684
Investments in joint ventures	22	6,651,437	6,191,983
Goodwill	23	378,134	376,225
Deferred tax assets	24	53,873	47,405
Trade receivables	25	454,000	204,198
Other receivables	26	44,978	6,319
Amount due from an associate	34	492	1,380
Amounts due from joint ventures	35	1,420,892	1,492,450
Derivatives	27	2,086	7,540
Rock reserves	28	4,819	5,082
Other investments	29	402,392	866,581
Biological assets	30	322	48
		17,715,353	17,085,572
Current assets			
Inventories	19	3,279,520	2,422,351
Trade receivables	25	1,241,553	1,123,433
Other receivables	26	512,530	506,772
Contract assets	31	532,172	112,076
Derivatives	27	1,572	2,465
Amounts due from associates	34	39,000	53,032
Amounts due from joint ventures	35	176,202	801,548
Other investments	29	535,540	98,778
Tax recoverable		65,257	68,008
Cash and bank balances	32	1,958,054	2,810,263
		8,341,400	7,998,726
Total assets		26,056,753	25,084,298

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022 (CONTD.)

	Note	Group	
		2022 RM'000	2021 RM'000
Equity and liabilities			
Current liabilities			
Borrowings	36	5,360,834	4,093,176
Trade payables	37	1,312,309	1,401,221
Other payables	38	1,094,153	876,354
Contract liabilities	31	19,907	12,583
Amounts due to associates	34	4,100	5,908
Amounts due to joint ventures	35	79,885	185,783
Hire purchase and lease liabilities	39	32,788	31,763
Derivatives	27	35,238	43,727
Tax payable		66,101	55,673
		8,005,315	6,706,188
Non-current liabilities			
Borrowings	36	3,094,910	4,021,413
Perpetual sukuk	40	600,000	600,000
Deferred tax liabilities	24	185,424	108,967
Other payables	38	203,675	243,678
Amounts due to joint ventures	35	28,537	504
Long term liabilities	41	514	1,550
Hire purchase and lease liabilities	39	91,245	90,741
Derivatives	27	274,598	188,957
		4,478,903	5,255,810
Total liabilities		12,484,218	11,961,998
Equity attributable to owners of the parent			
Share capital	42	5,393,897	5,393,889
Irredeemable convertible preference shares	42	977,779	977,779
Treasury shares	42	(74,335)	(74,335)
Equity contribution from a joint venture	43	51,654	51,654
Merger reserve	44	(1,192,040)	(1,192,040)
Reserves	45	7,383,800	6,873,432
		12,540,755	12,030,379
Non-controlling interests		1,031,780	1,091,921
Total equity		13,572,535	13,122,300
Total equity and liabilities		26,056,753	25,084,298

Sunway Berhad

Integrated Annual Report 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (CONTD.)

	Note	Company	
		2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	16	3,562	840
Investments in subsidiaries	20	6,946,480	7,224,283
Investment in a joint venture	22	800	800
Other investment	29	78	78
		6,950,920	7,226,001
Current assets			
Other receivables	26	7,817	10,389
Amounts due from subsidiaries	33	918,444	842,521
Amounts due from associates	34	35	61
Amounts due from joint ventures	35	3,199	2,992
Cash and bank balances	32	10,705	8,202
		940,200	864,165
Total assets		7,891,120	8,090,166
Equity and liabilities			
Current liabilities			
Other payables	38	48,045	54,642
Amounts due to subsidiaries	33	5,160	8,400
Amounts due to associates	34	20	72
Amounts due to joint ventures	35	2	2
Lease liabilities	39	245	264
Tax payable		18,476	19,234
		71,948	82,614
Non-current liabilities			
Perpetual sukuk	40	600,000	600,000
Lease liabilities	39	1,145	560
		601,145	600,560
Total liabilities		673,093	683,174
Equity attributable to owners of the parent			
Share capital	42	5,393,897	5,393,889
Irredeemable convertible preference shares	42	977,779	977,779
Treasury shares	42	(74,335)	(74,335)
Reserves	45	920,686	1,109,659
Total equity		7,218,027	7,406,992
Total equity and liabilities		7,891,120	8,090,166

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the parent										Equity, total RM'000						
	Non-distributable					Distributable											
	Share capital (Note 42) RM'000	Irredeemable convertible preference shares (Note 42) RM'000	Treasury shares (Note 42) RM'000	Equity contribution from a joint venture (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Fair value reserve (Note 45) RM'000	Furniture, fittings and equipment reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Retained earnings (Note 45) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
Group																	
At beginning of financial year	5,393,889	977,779	(74,335)	51,654	(1,192,040)	435,987	2,715	7,322	(17,376)	(5,857)	11,845	204,845	639,481	6,233,951	12,030,379	1,091,921	13,122,300
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	676,845	676,845	76,255	753,100
Other comprehensive (loss)/income, net of tax	-	-	-	-	-	-	-	(8,899)	(8,899)	13,154	-	29,825	34,080	-	34,080	(1,753)	32,327
Total comprehensive income	-	-	-	-	-	-	-	(8,899)	(8,899)	13,154	-	29,825	34,080	676,845	710,925	74,502	785,427
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,118	4,118
Effects of joint ventures becoming subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,272	153,272
Transfer to furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	11,244	-	-	11,244	(11,244)	-	-	-
Transfer (from)/to reserves	-	-	-	-	-	(129)	606	-	-	-	-	-	477	(550)	(73)	73	-
Transactions with owners																	
Issuance of ordinary shares pursuant to exercise of warrants	8*	-	-	-	-	-	-	-	-	-	-	-	-	-	8*	-	8*
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,464)	(48,464)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(222,451)	(222,451)	-	(222,451)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	315	315	20,777	21,092
Changes in equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	18,215	18,215	14,456	32,671
Effects of subscriptions and redemptions of units in structured entities by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(279,710)	(279,710)
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(280)	(280)
Capital contribution by non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	3,437	3,437	7,340	7,340
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(200,464)	(200,464)	(6,225)	(2,788)
Total transactions with owners	8	-	-	-	-	(129)	606	-	-	-	-	-	477	(550)	(73)	73	(2,788)
At end of financial year	5,393,897	977,779	(74,335)	51,654	(1,192,040)	435,858	3,321	7,322	(26,275)	7,297	23,089	234,670	685,282	6,698,518	12,540,755	1,031,780	13,572,535

* Represents 5,292 warrants amounting to RM7,885.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

2021	Attributable to owners of the parent																
	Non-distributable					Distributable											
Group	Share capital (Note 42) RM'000	Irredeemable Convertible Preference Shares (Note 42) RM'000	Treasury shares (Note 42) RM'000	Equity contribution from a joint venture (Note 43) RM'000	Merger reserve (Note 44) RM'000	Capital reserve (Note 45) RM'000	Statutory reserve (Note 45) RM'000	Revaluation reserve (Note 45) RM'000	Cash flow hedge reserve (Note 45) RM'000	Fair value reserve (Note 45) RM'000	Furniture, fittings and equipment reserve (Note 45) RM'000	Foreign currency translation reserve (Note 45) RM'000	Other reserves, total (Note 45) RM'000	Retained earnings (Note 45) RM'000	Equity attributable to owners of the parent, total RM'000	Non-controlling interests RM'000	Equity, total RM'000
At beginning of financial year	5,393,667	977,779	(74,335)	51,654	(1,192,040)	435,967	2,265	7,322	(19,040)	31,361	18,481	166,022	642,378	3,714,092	9,513,195	797,382	10,310,577
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	2,664,446	2,664,446	73,710	2,738,156
Other comprehensive income/(loss), net of tax	-	-	-	-	-	20	-	-	1,664	(37,218)	-	38,823	3,289	1,790	5,079	545	5,624
Total comprehensive income	-	-	-	-	-	20	-	-	1,664	(37,218)	-	38,823	3,289	2,666,236	2,669,525	74,255	2,743,780
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from furniture, fittings and equipment reserve	-	-	-	-	-	-	-	-	-	-	(6,636)	-	(6,636)	6,636	-	-	
Transfer to reserve	-	-	-	-	-	-	450	-	-	-	-	-	450	(446)	4	(4)	-
Transactions with owners																	
Issuance of ordinary shares pursuant to exercise of warrants	222 [^]	-	-	-	-	-	-	-	-	-	-	-	-	-	222 [^]	-	222 [^]
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(27,796)	(27,796)
Dividends paid by the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	(151,960)	(151,960)	-	(151,960)
Shares acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,060	18,060
Effects of subscriptions and redemptions of units in structured entities by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	246,644	246,644
Acquisition of equity interest from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(607)	(607)	(26,715)	(27,322)
Total transactions with owners	222	-	-	-	-	-	-	-	-	-	-	-	-	(152,567)	(152,346)	210,193	57,848
At end of financial year	5,393,889	977,779	(74,335)	51,654	(1,192,040)	435,987	2,715	7,322	(17,376)	(5,857)	11,845	204,845	639,481	6,233,951	12,030,379	1,091,921	13,122,300

[^] Represents 142,437 warrants amounting to RM222,202.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

2022	Non-distributable			Distributable	
	Share capital (Note 42) RM'000	Irredeemable Convertible Preference Shares (Note 42) RM'000	Treasury shares (Note 42) RM'000	Retained earnings (Note 45) RM'000	Equity, total RM'000
Company					
At beginning of financial year	5,393,889	977,779	(74,335)	1,109,659	7,406,992
Profit for the financial year	-	-	-	33,478	33,478
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	33,478	33,478
Transactions with owners					
Issuance of ordinary shares pursuant to exercise of warrants	8 [^]	-	-	-	8 [^]
Dividends paid	-	-	-	(222,451)	(222,451)
	8	-	-	(222,451)	(222,443)
At end of financial year	5,393,897	977,779	(74,335)	920,686	7,218,027

[^] Represents 5,292 warrants amounting to RM7,885.

2021	Non-distributable			Distributable	
	Share capital (Note 42) RM'000	Irredeemable Convertible Preference Shares (Note 42) RM'000	Treasury shares (Note 42) RM'000	Retained earnings (Note 45) RM'000	Equity, total RM'000
Company					
At beginning of financial year	5,393,667	977,779	(74,335)	1,141,416	7,438,527
Profit for the financial year	-	-	-	120,203	120,203
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	120,203	120,203
Transactions with owners					
Issuance of ordinary shares pursuant to exercise of warrants	222 [^]	-	-	-	222 [^]
Dividends paid	-	-	-	(151,960)	(151,960)
	222	-	-	(151,960)	(151,738)
At end of financial year	5,393,889	977,779	(74,335)	1,109,659	7,406,992

[^] Represents 142,437 warrants amounting to RM222,202.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Profit before tax					
From continuing operations		920,051	463,899	39,906	130,727
From discontinued operations		-	2,388,389	-	-
Adjustments for:					
Finance and other distribution income		(187,679)	(170,169)	(42,872)	(86,459)
Finance costs		202,150	124,777	30,868	40,554
Dividend income	5	(11,050)	(38,515)	(20,000)	(93,400)
Depreciation and amortisation		130,190	216,883	579	327
Fair value gain on:					
- derivatives	7	(1,086)	(984)	-	-
- investment properties	18	(40,042)	(82,621)	-	-
Fair value loss on:					
- derivatives	9	52,214	24	-	-
- investment properties	18	13,602	35,321	-	-
- investment properties under construction	18	2,931	-	-	-
- other investments	9	1,881	2,486	-	-
Gain on disposal of:					
- property, plant and equipment	7, 13	(47,775)	(3,426)	(921)	-
- a joint venture	7	-	(124)	-	-
- other investment	7	(26,628)	-	-	-
Gain on liquidation of subsidiaries	7	(361)	-	-	-
Impairment losses on:					
- trade and other receivables	25, 26	47,395	36,130	-	-
- amounts due from subsidiaries	33	-	-	9	-
- amounts due from associates	34	21	-	-	-
- amounts due from joint ventures	35	16	303	-	-
- property, plant and equipment	16	-	439	-	-
- contract assets	31	111	29	-	-
- investments in associates	21	17,483	2,987	-	-
- quasi-equity loan advanced to joint ventures	22	295	838	-	-
Loss on disposal of property, plant and equipment	9, 13	61	365	-	-
Loss on liquidation of subsidiaries	9	443	-	-	-
Negative goodwill on acquisition of subsidiaries	7	-	(460)	-	-
Net unrealised foreign exchange losses/ (gains):					
- hedged items	9	24,307	50,089	-	-
- others		1,772	(2,565)	2	5
Net gain on reassessments and modifications of leases		(981)	(4,082)	-	(2,022)
Cash flow hedge reserve recycled to profit or loss	9	(24,307)	(50,089)	-	-
Net cash generated from/(used in) operating activities carried forward		1,075,014	2,969,924	7,571	(10,268)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities (contd.)					
Net cash generated from/(used in) operating activities brought forward		1,075,014	2,969,924	7,571	(10,268)
Loss on redemption of perpetual sukuk	9, 40	-	-	-	2,980
Rent concessions	39	-	(3,496)	-	-
Reversals of impairment losses on:					
- trade and other receivables	25, 26	(10,066)	(11,968)	-	-
- amounts due from associates	34	(2)	(133)	-	-
- amounts due from joint ventures	35	(787)	(920)	-	-
- amounts due from subsidiaries	33	-	-	-	(2,394)
- contract assets	31	(104)	(5)	-	-
Share of results of:					
- associates		(119,270)	(60,168)	-	-
- joint ventures		(231,784)	(21,024)	-	-
Net movements in unrealised profit arising from construction projects in joint ventures		2,066	4,061	-	-
Net movements in unrealised profit on transactions with associates		3,485	2,095	-	-
Reversal of inventories written down to net realisable value	7	(11)	(192)	-	-
Write down of inventories to net realisable value	19	4,367	9,248	-	-
Write off of:					
- amount due from a joint venture	9	142	-	-	-
- bad debts	9, 13	252	2,753	-	15
- biological assets	9	-	11	-	-
- intangible assets	9, 13	41	137	-	-
- inventories	19	821	1,386	-	-
- property, plant and equipment	9, 13	468	3,027	-	-
Recognition of fair value of derivatives liabilities on exit clauses in relation to the partial divestment of SHH Group	13	-	224,364	-	-
Net gain on partial divestment of discontinued operations and remeasurement of remaining equity interest held as joint ventures	13	-	(2,510,480)	-	-
Net gain arising from remeasurements of previously held equity interests in former joint ventures	7, 20	(66,182)	-	-	-
Operating profit/(loss) before working capital changes		658,450	608,620	7,571	(9,667)
Cash generated from/(used in) operations carried forward		658,450	608,620	7,571	(9,667)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities (contd.)					
Cash generated from/(used in) operations brought forward		658,450	608,620	7,571	(9,667)
Changes in working capital:					
Land held for property development		(10,876)	(24,024)	-	-
Inventories		192,748	(24)	-	-
Trade receivables		(379,405)	169,300	-	-
Other receivables		(168,005)	43,122	2,572	4,942
Contract assets		(199,616)	(20,797)	-	-
Trade payables		(114,604)	(26,217)	-	-
Other payables		280,406	(30,914)	(6,597)	9,383
Long term payables		(88,766)	58,938	-	-
Contract liabilities		6,105	(62,027)	-	-
Interest received		189,583	178,302	42,872	86,459
Dividends received from:					
- joint ventures and associates		129,901	151,228	20,000	16,400
- subsidiaries		-	-	-	77,000
- other investments		11,050	38,515	-	-
Tax refunded		17,468	9,681	-	-
Tax paid		(187,612)	(114,988)	(7,186)	(11,190)
Net cash from operating activities		336,827	978,715	59,232	173,327
Cash flows from investing activities					
Acquisitions of:					
- biological assets	30	(374)	-	-	-
- equity interest from non-controlling interests		(2,788)	(27,322)	-	-
- intangible assets	17	(11,962)	(9,243)	-	-
- investment properties and investment properties under construction		(97,546)	(84,053)	-	-
- land held for property development		(39,227)	(13,534)	-	-
- other investments		(49,958)	(65,722)	-	-
- property, plant and equipment	16	(122,546)	(343,858)	(2,503)	(22)
- subsidiaries for cash, net of cash acquired	20	(7,966)	(36,495)	-	-
Deposit paid for acquisition of land held for development	26	-	(228,390)	-	-
Proceeds from disposal of:					
- intangible assets		354	13	-	-
- investment in a joint venture		-	902	-	-
- other investments		89,938	19,526	-	-
- property, plant and equipment	16	159,090	6,588	921	-
Proceeds from acquisition of equity interest by non-controlling interests		21,092	18,060	-	-
Net cash used in investing activities carried forward		(61,893)	(763,528)	(1,582)	(22)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities (contd.)					
Net cash used in investing activities brought forward		(61,893)	(763,528)	(1,582)	(22)
Net redemptions of units in structured entities of the Company	20	-	-	290,803	30,539
Investment in redeemable preference shares of subsidiaries	20	-	-	(313,000)	(1,735,000)
Redemption of redeemable preference shares in a subsidiary	20	-	-	300,000	-
Additional interests acquired in:					
- joint ventures	22	(50)	(97,906)	-	-
- associates	21	(4,785)	(6,418)	-	-
Payment of balance consideration on acquisition of subsidiaries and additional interest acquired in a joint venture		(155,954)	-	-	-
Proceeds from disposal of medium term notes issued by a joint venture		-	-	-	299,000
Quasi-equity loan advanced to joint ventures		(410,783)	(269,671)	-	-
(Advances to)/Repayments from:					
- subsidiaries		-	-	(79,172)	2,004,937
- associates and joint ventures		48,816	169,292	(233)	805
Subscription of medium term notes issued by a joint venture		-	(299,000)	-	(299,000)
Net cash flows from licensed banks with maturity of over 3 months		(507)	2,073	-	20
Net (redemptions)/subscriptions of units in structured entities by non-controlling interests		(279,710)	246,644	-	-
Net cash inflow from joint ventures becoming subsidiaries	20	20,277	-	-	-
Net cash outflow from loss of control of subsidiaries	13	-	(261,092)	-	-
Net cash (used in)/from investing activities		(844,589)	(1,279,606)	196,816	301,279
Cash flows from financing activities					
Drawdowns of:					
- term loans		610,167	936,774	-	-
- revolving credits		596,982	1,049,670	-	-
- commercial papers		2,408,000	2,770,125	-	5,000
- medium term notes		1,320,000	760,000	-	-
- other bank borrowings		961,738	1,510,163	-	-
Net cash from financing activities carried forward		5,896,887	7,026,732	-	5,000

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from financing activities (contd.)					
Net cash from financing activities brought forward		5,896,887	7,026,732	-	5,000
Repayments of:					
- hire purchase and lease liabilities		(32,254)	(51,298)	(232)	(238)
- term loans		(175,766)	(382,440)	-	-
- revolving credits		(397,835)	(1,049,356)	-	-
- commercial papers		(2,688,000)	(2,700,125)	-	(86,000)
- medium term notes		(1,330,000)	(120,000)	-	-
- other bank borrowings		(939,294)	(1,484,388)	-	-
Proceeds from issuance of ordinary shares pursuant to exercise of warrants	42	8	222	8	222
Net repayment of advances from non-controlling interests of a subsidiary	38	(125,251)	-	-	-
Capital repayment to a non-controlling interest		(280)	-	-	-
Capital contribution from non-controlling interest of a subsidiary		7,340	-	-	-
Interest paid		(269,158)	(214,584)	(30,868)	(40,554)
Dividends paid	15	(222,451)	(151,960)	(222,451)	(151,960)
Dividends paid to non-controlling interests in subsidiaries		(48,464)	(27,796)	-	-
Redemption of perpetual sukuk	40	-	-	-	(202,980)
Net cash (used in)/from financing activities		(324,518)	845,007	(253,543)	(476,510)
Net cash from operating activities		336,827	978,715	59,232	173,327
Net cash (used in)/from investing activities		(844,589)	(1,279,606)	196,816	301,279
Net cash (used in)/from financing activities		(324,518)	845,007	(253,543)	(476,510)
Net (decrease)/increase in cash and cash equivalents		(832,280)	544,116	2,505	(1,904)
Effects of exchange rate changes on cash and cash equivalents		(4,541)	5,281	(2)	(5)
Cash and cash equivalents at beginning of financial year		2,732,242	2,182,845	8,182	10,091
Cash and cash equivalents at end of financial year	32	1,895,421	2,732,242	10,685	8,182

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. CORPORATE INFORMATION

Sunway Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business and registered office of the Company are located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The Company is principally an investment holding company. The principal activities of the subsidiaries are set out in Note 51 to the financial statements.

The immediate and ultimate holding companies of the Company are Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution by the Board of Directors on 12 April 2023.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The new MFRSs and amendments to MFRSs adopted during the financial year are set out in Note 54(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services. In addition, the businesses are also considered from a geographical perspective. The Group's reportable segments are as follows:

- (i) Property development - development of residential and commercial properties.
- (ii) Property investment - management, operation and letting of properties, operation of theme parks, rendering recreational club facilities, travel agent and time sharing businesses, management and operation of hotels, investment in real estate investment fund.
- (iii) Construction - construction of building and civil works and provision of mechanical, electrical and piling works.
- (iv) Trading and manufacturing - trading and manufacturing of construction and industrial products, building materials and commercial vehicles.
- (v) Quarry - quarrying, manufacturing and supplying of premix, manufacturing of ready-mixed concrete and production of building stones.
- (vi) Investment holdings - management, provision of financial services to companies within the Group, as well as holding of investments in the shares of subsidiaries, associates and other investments.
- (vii) Healthcare - operation of medical centres and provision of medical consultation services.
- (viii) Others - manufacturing of vitrified clay pipes, concrete pipes, interlocking pavers, pretensioned spun concrete piles, precast micro injection piles, reinforced concrete piles, euro tiles, blocks and concrete products, provision of secretarial and share registration services, provision of management services, lease and hire purchase financing, interior design and renovation, loyalty programme, investment in online media, electronic parcel locker operator, operation of petrol kiosk, online remittance and money services, retail of pharmaceutical products, provision of venture capital fund management, provision of credit reference services and credit rating and the provision of training services.

Except as indicated above, no operating segments have been aggregated to form the above reportable segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate assets, liabilities and expenses.

Segment revenue and expenses include transfers between business segments that are eliminated on consolidation. Segment results exclude the effects of transfers between business segments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

3. SEGMENT INFORMATION (CONTD.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments:

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/eliminations RM'000	Total continuing operations RM'000	Discontinued operations RM'000	Total RM'000
At 31 December 2022												
Revenue												
Sales to external customers	1,165,312	689,976	1,281,604	902,111	406,167	-	19,305	730,474	-	5,194,949	-	5,194,949
Inter-segment revenue	185,432	151,449	1,729,613	164,782	40,978	-	313,913	327,838	(2,914,005)	-	-	-
Total revenue	1,350,744	841,425	3,011,217	1,066,893	447,145	-	333,218	1,058,312	(2,914,005)	5,194,949	-	5,194,949
Results												
Operating profit/(loss)	120,108	199,219	190,132	46,721	16,016	-	(87,263)	98,535	-	583,468	-	583,468
Finance and other distribution income	47,319	69,739	16,347	9,898	6,243	-	126,078	11,587	(99,532)	187,679	-	187,679
Finance costs	(65,818)	(154,799)	(18,411)	(15,044)	(7,896)	-	(13,854)	(25,860)	99,532	(202,150)	-	(202,150)
Share of results of associates	3	117,650	477	-	-	-	-	1,140	-	119,270	-	119,270
Share of results of joint ventures	53,642	3,983	(1,979)	-	(688)	176,826	-	-	-	231,784	-	231,784
Profit before tax	155,254	235,792	186,566	41,575	13,675	176,826	24,961	85,402	-	920,051	-	920,051
Income tax expense	(47,829)	(42,071)	(46,253)	(9,066)	(5,772)	-	(3,387)	(12,573)	-	(166,951)	-	(166,951)
Net profit for the year	107,425	193,721	140,313	32,509	7,903	176,826	21,574	72,829	-	753,100	-	753,100
Non-controlling interests	2,274	180	(61,425)	317	(299)	-	(11,255)	(6,047)	-	(76,255)	-	(76,255)
Attributable to owners of the parent	109,699	193,901	78,888	32,826	7,604	176,826	10,319	66,782	-	676,845	-	676,845

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Healthcare RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Total continuing operations RM'000	Discontinued operations RM'000	Note	Total RM'000
At 31 December 2022 (contd.)													
Assets													
Segment assets	7,207,399	3,375,082	2,126,117	952,909	435,641	-	11,672,057	1,362,953	(10,536,623)	16,595,535	-	-	16,595,535
Investments in associates	-	2,626,145	-	-	-	-	9,952	54,554	-	2,690,651	-	-	2,690,651
Investments in joint ventures	2,234,777	135,419	223,131	50	14,086	4,043,924	50	-	-	6,651,437	-	-	6,651,437
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	119,130
Total assets	-	-	-	-	-	-	-	-	-	-	-	-	26,056,753
Liabilities													
Segment liabilities	5,237,643	3,987,476	1,584,935	643,177	339,544	-	10,188,238	755,630	(10,503,950)	12,232,693	-	-	12,232,693
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	251,525
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	12,484,218
Other segment information													
Capital expenditure	23,363	132,699	27,114	17,276	14,440	-	2,573	25,308	-	242,773	-	B	242,773
Depreciation and amortisation	3,614	41,948	21,021	15,712	17,050	-	3,309	27,536	-	130,190	-	-	130,190

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

3. SEGMENT INFORMATION (CONTD.)

Business segments (contd.)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/ eliminations RM'000	Total continuing operations RM'000	Discontinued operations RM'000	Adjustments/ eliminations RM'000	Note	Total RM'000
At 31 December 2021													
Revenue													
Sales to external customers	625,749	312,349	1,111,698	840,586	337,757	42,676	446,493	-	3,717,308	815,114	-	-	4,532,422
Inter-segment revenue	60,349	58,008	959,208	149,342	32,812	455,498	85,026	(1,800,243)	-	-	-	A	-
Inter-operation revenue*	4,948	5,059	177,746	1,090	-	2,646	11,218	-	202,707	11,911	(214,618)	-	-
Total revenue	691,046	375,416	2,248,652	991,018	370,569	500,820	542,737	(1,800,243)	3,920,015**	827,025**	(214,618)	-	4,532,422
Results													
Operating profit/(loss)	122,782	24,640	132,115	40,448	7,331	(34,884)	35,346	-	327,778	111,810	-	-	439,588
Finance and other distribution income	34,865	69,849	13,459	9,041	5,909	170,273	11,042	(157,208)	157,230	12,939	-	-	170,169
Finance costs	(40,569)	(138,510)	(4,338)	(11,490)	(5,756)	(44,638)	(14,208)	157,208*	(102,301)	(22,476)	-	-	(124,777)
Share of results of associates	(374)	60,293	(559)	-	-	-	808	-	60,168	-	-	-	60,168
Share of results of joint ventures	37,358	(26,306)	8,073	-	1,899	-	-	-	21,024	-	-	-	21,024
Profit/(Loss) before tax	154,062	(10,034)	148,750	37,999	9,383	90,751	32,988	-	463,899	102,273	-	-	566,172
Income tax expense	(32,423)	12,429	(38,673)	(7,861)	(569)	(40,430)	(8,702)	-	(116,229)	2,097	-	-	(114,132)
Total net gain arising from the partial divestment of SHH Group	121,639	2,395	110,077	30,138	8,814	50,321	24,286	-	347,670	104,370	-	-	452,040
Net profit for the year	121,639	2,395	110,077	30,138	8,814	50,321	24,286	-	347,670	104,370	-	-	452,040
Non-controlling interests	(2,577)	1,131	(45,012)	(331)	(107)	(5,017)	(2,253)	-	(54,166)	(19,544)	-	-	(73,710)
Attributable to owners of the parent	119,062	3,526	65,065	29,807	8,707	45,304	22,033	-	293,504	2,370,942	-	-	2,664,446

* Inter-operations sales within continuing operations and discontinued operations.

** Included inter-operations transactions within continuing operations and discontinued operations.

** Before eliminations on consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

3. **SEGMENT INFORMATION (CONTD.)**
Business segments (contd.)
The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segments: (contd.)

	Property development RM'000	Property investment RM'000	Construction RM'000	Trading and manufacturing RM'000	Quarry RM'000	Investment holdings RM'000	Others RM'000	Adjustments/eliminations RM'000	Total continuing operations RM'000	Discontinued operations RM'000	Adjustments/eliminations RM'000	Note	Total RM'000
At 31 December 2021 (contd.)													
Assets													
Segment assets	6,185,125	2,860,312	1,960,767	859,927	410,169	12,515,874	1,275,911	(10,000,867)	16,067,218	-	-	-	16,067,218
Investments in associates	-	2,647,334	-	-	-	5,668	56,682	-	2,709,684	-	-	-	2,709,684
Investments in joint ventures	1,962,694	130,802	126,601	51	15,477	-	-	-	2,235,625	3,956,358	-	-	6,191,983
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	115,413
Total assets	4,938,908	3,690,831	1,250,925	566,844	323,906	10,116,403	712,346	(9,802,805)	11,797,358	297,794	-	-	11,797,358
Liabilities													
Segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	164,640
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	11,961,998
Other segment information													
Capital expenditure	86,670	15,456	34,820	8,481	5,358	41	15,940	-	166,766	297,794	-	-	464,560
Depreciation and amortisation	7,204	42,070	24,677	15,174	17,779	76	26,498	-	133,478	83,405	-	-	216,883
Impairment losses on:													
- property, plant and equipment (Note 16)	-	-	-	39	400	-	-	-	439	-	-	-	439

3. SEGMENT INFORMATION (CONTD.)

Geographical segments

The following table provides an analysis of the Group's revenue, profit/(loss) before tax, net profit/(loss), profit/(loss) attributable to owners of the parent and assets by geographical segments:

	Revenue from contracts with customers RM'000	Other revenue RM'000	Total revenue RM'000	Profit/(loss) before tax RM'000	Net profit/(loss) of the parent RM'000	Net profit/(loss) attributable to owners of the parent RM'000	Segment assets Non-current RM'000	Current RM'000
At 31 December 2022								
Malaysia	4,269,954	150,119	4,420,073	853,527	706,320	645,208	7,449,976	7,493,932
Singapore	224,524	-	224,524	30,457	29,487	30,196	185,929	323,311
China	100,053	-	100,053	1,305	(166)	400	67,438	143,824
India	293,292	-	293,292	26,582	20,704	10,045	171,548	177,924
Australia	36,866	-	36,866	16,132	12,075	6,139	40,620	83,385
Indonesia	48,946	-	48,946	6,895	4,883	4,883	2,995	36,528
United Kingdom	-	31,115	31,115	(15,948)	(20,865)	(21,093)	62,969	1,985
Other countries	40,080	-	40,080	1,101	662	1,067	337,918	15,253
	5,013,715	181,234	5,194,949	920,051	753,100	676,845	8,319,393	8,276,142
At 31 December 2021								
Malaysia	3,926,491	147,596	4,074,087	524,549	2,704,088	2,619,413	7,499,310	7,424,485
Singapore	162,332	422	162,754	7,099	6,624	6,626	169,157	179,246
China	139,620	-	139,620	12,922	10,775	10,688	73,368	143,570
India	12,262	-	12,262	(8,741)	(9,056)	(4,047)	407	50,604
Australia	34,885	-	34,885	4,539	379	770	41,079	75,251
Indonesia	44,813	-	44,813	3,775	2,276	2,276	2,897	37,056
United Kingdom	-	25,225	25,225	32,774	33,631	33,443	-	1,115
Other countries	38,776	-	38,776	(10,745)	(10,561)	(4,723)	350,281	19,392
	4,359,179	173,243	4,532,422	566,172	2,738,156	2,664,446	8,136,499	7,930,719

Note Nature of eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenues are eliminated on consolidation.
B Capital expenditures consist of:

	2022 RM'000	2021 RM'000
Property, plant and equipment (excluding right-of-use assets)	122,546	364,214
Intangible assets	11,962	9,243
Biological assets	374	-
Investment properties	107,891	91,103
	242,773	464,560

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

4. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the Group's and the Company's capital management is the maintenance of a strong credit rating and healthy capital ratios, in order to support the Group's businesses and maximising shareholders' value.

The Group and the Company manage their capital structure by ensuring that financial commitments are met as and when they fall due. In addition, divestment of the Group's non-core assets, which provides low returns are also made to optimise the capital structure of the Group.

The Group and the Company monitor capital utilisation using the gearing ratio. This ratio is used to assess the appropriateness of the Group's debt level, hence its capital structure. The ratio is calculated as net debt divided by total equity. Net debt includes total borrowings net of cross currency swap, and perpetual sukuk less cash and bank balances.

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings	36	8,455,744	8,114,589	-	-
Add: Perpetual sukuk	40	600,000	600,000	600,000	600,000
Add/(Less): Cross currency swap	36	23,004	(2,522)	-	-
Net borrowings after cross currency swap		9,078,748	8,712,067	600,000	600,000
Hire purchase with financial institutions	39	434	906	-	-
<u>Less:</u>					
Cash and bank balances	32	(1,958,054)	(2,810,263)	(10,705)	(8,202)
Net debt		7,121,128	5,902,710	589,295	591,798
Total equity		13,572,535	13,122,300	7,218,027	7,406,992
Gearing ratio		52%	45%	8%	8%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk and market risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

Interest rate risk

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's and the Company's interest rate risk arise primarily from interest bearing borrowings. The Group manages its interest rate exposure by monitoring a mix of fixed and floating rate borrowings. The Group also entered into interest rate swap contracts and cross currency swap contracts to hedge the floating rate interest payable on certain borrowings. The Group closely monitors markets and output from various industry working groups on the transitions to new interest rate benchmark arising from the respective interest rate benchmarks reforms in various jurisdictions. At the end of the reporting period, the Group's interest rate swap contracts and cross currency swap contracts are not materially affected by any interest rate benchmarks reforms. Approximately 40% (2021: 59%) of the Group's borrowings after cross currency swap are at fixed rates of interest.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 25, 26, 32, 33, 35, 36, 38, 39 and 40 to the financial statements.

Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia ("RM") except for foreign currency risk arising from countries in which certain foreign subsidiaries operate. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB"), Australian Dollar ("AUD"), British Pound Sterling ("GBP") and Indian Rupee ("INR"). Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Approximately 15% (2021: 10%) of the Group's sales are denominated in foreign currencies whilst almost 16% (2021: 10%) of costs are denominated in the respective functional currencies of the Group entities.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the revenue stream to be generated from its investments.

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances amounted to RM279.4 million (2021: RM241.8 million).

Material foreign currency transactions exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts and 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 as well as to minimise the interest cost. These cross currency swap contracts have expiry periods within 2 months to 32 months (2021: 12 months to 36 months).

In relation to its investments in foreign subsidiaries whose net assets are exposed to currency translation risks and which are held for long term investment purposes, the differences arising from such translation are recorded under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure

The currency risk exposure profiles for each class of financial instruments are as follows:

Group	SGD		USD		RMB		AUD		GBP		INR		Others	
	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000
At 31 December 2022														
Financial assets in foreign currencies														
Cash and bank balances	44,440	-	14,446	-	56,374	-	43,925	-	45,566	-	56,914	-	17,772	-
Trade and other receivables	174,565	-	5,523	-	40,549	1	6,708	6,232	3,248	-	121,951	171,241	15,859	243
Financial liabilities in foreign currencies														
Trade and other payables	(31,773)	-	(17,874)	-	(29,922)	(3,852)	(6,167)	-	(19,257)	-	(75,186)	-	(10,378)	-
Borrowings	(398,240)	(344,278)	(970,849)	(44,230)	(65,967)	-	(415,449)	-	(154,753)	(252,522)	-	(161,909)	-	-
Less: hedged portion	-	-	970,849	44,230	65,967	-	389,708	-	-	-	-	-	-	-
Borrowings - unhedged portion	(398,240)	(344,278)	-	-	-	-	(25,741)	-	(154,753)	(252,522)	-	(161,909)	-	-
Net exposure	(211,008)	(344,278)	2,095	-	67,001	(3,851)	18,725	6,232	(125,196)	(252,522)	103,679	9,332	23,253	243

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Foreign currency risk exposure (contd.)

The currency risk exposure profiles for each class of financial instruments are as follows: (contd.)

Group	SGD		USD		RMB		AUD		GBP		INR		Others	
	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000	<1 year RM'000	>1 year RM'000
At 31 December 2021														
Financial assets in foreign currencies														
Cash and bank balances	40,345	-	61,069	-	56,316	-	42,795	-	13,363	-	5,657	-	22,205	-
Trade and other receivables	87,911	-	4,055	-	34,077	2	6,153	6,138	3,774	-	45,063	-	20,741	179
Financial liabilities in foreign currencies														
Trade and other payables	(34,289)	-	(11,397)	-	(31,872)	(3,979)	(6,821)	-	(12,043)	-	(8,991)	-	(13,821)	-
Borrowings	(93,575)	(179,417)	(208,925)	(743,773)	-	-	(89,536)	(253,901)	(28,224)	(339,030)	-	-	-	-
Less: hedged portion	-	-	208,925	743,773	-	-	65,829	253,901	-	-	-	-	-	-
Borrowings - unhedged portion	(93,575)	(179,417)	-	-	-	-	(23,707)	-	(28,224)	(339,030)	-	-	-	-
Net exposure	392	(179,417)	53,727	-	58,521	(3,977)	18,420	6,138	(23,130)	(339,030)	41,729	-	29,125	179
Company														
At 31 December 2022/2021														

The currency risk exposure profile of the Company is not presented as its exposure to foreign currencies was not material at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Foreign currency risk (contd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and the Company's profit net of tax to a reasonably possible change in the foreign exchange rates against the functional currency of the Company, which are material to the Group, with all other variables held constant.

Profit net of tax	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
SGD/RM				
- strengthen 2.7% (2021: 0.6%)	(11,273)	(852)	-	-
- weaken 2.7% (2021: 0.6%)	11,273	852	-	-
USD/RM				
- strengthen 5.0% (2021: 0.9%)	80	376	-	-
- weaken 5.0% (2021: 0.9%)	(80)	(376)	-	-
RMB/RM				
- strengthen 0.2% (2021: 2.9%)	80	1,205	-	-
- weaken 0.2% (2021: 2.9%)	(80)	(1,205)	-	-
AUD/RM				
- strengthen 2.3% (2021: 2.4%)	443	439	-	-
- weaken 2.3% (2021: 2.4%)	(443)	(439)	-	-
GBP/RM				
- strengthen 1.6% (2021: 1.2%)	(4,643)	(3,340)	-	-
- weaken 1.6% (2021: 1.2%)	4,643	3,340	-	-
INR/RM				
- strengthen 1.7% (2021: 1.5%)	1,448	489	-	-
- weaken 1.7% (2021: 1.5%)	(1,448)	(489)	-	-

Liquidity risk

The exposure of the Group to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The objective of the Group is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

4. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTD.)

(b) Financial risk management objectives and policies (contd.)

Liquidity risk (contd.)

The objective of the Group's liquidity management is to maintain a balance between long term and short term borrowings to ensure continuity of funding at a cost efficient manner to meet its financial obligations on a timely basis. In this regard, the Group diligently manages its debt maturity profile, operating cash flows and various sources of funding after taking into account of the refinancing, repayment and funding requirements to provide an adequate liquidity buffer. Besides maintaining a reasonable level of cash and cash convertible investments to meet its working capital needs, the Group also ensures it has sufficient undrawn credit facilities available to complement its overall liquidity management. The Group has undrawn credit facilities of RM1,506.0 million (2021: RM2,083.0 million) at the end of the financial year.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

At the end of the reporting period, approximately 63% (2021: 50%) of the Group's borrowings will mature in less than one year based on the carrying amounts reflected in the financial statements.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 27, 33, 34, 35, 36, 37, 38, 39 and 40 to the financial statements.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The credit risk concentration profiles have been disclosed in Notes 25 and 26 to the financial statements.

Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. These investments are classified as financial assets designated at fair value through profit or loss, except for those investments which are held for strategic rather than trading purposes. Such investments are classified as financial assets designated at fair value through other comprehensive income.

To manage its price risk arising from its investments, the Group diversifies its portfolio in accordance with the limits set by the Group.

The sensitivity analysis of market risk has been disclosed in Notes 20, 29 and 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

5. REVENUE

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Revenue from contracts with customers:				
Property development:				
- sale of properties under development	(a) 1,099,177	577,183	-	-
- sale of completed properties and land	(b) 42,928	24,321	-	-
Revenue from construction contracts	(a) 1,189,695	1,065,644	-	-
Sales of goods and services	(c) 2,651,282	1,845,113	-	-
Management fees	(d) 30,633	31,804	-	-
	5,013,715	3,544,065	-	-
Other revenue:				
Interest advances and share financing	(e) 17,622	14,909	-	-
Rental income	(f) 151,847	119,294	-	-
Lease and hire purchase	(g) 715	525	-	-
Dividend income from:	(h)			
- a subsidiary	-	-	-	77,000
- a joint venture	-	-	20,000	16,400
- other investments	11,050	38,515	-	-
	181,234	173,243	20,000	93,400
	5,194,949	3,717,308	20,000	93,400
Timing of revenue recognition:				
Products and services transferred over time	2,319,505	1,674,631	-	-
Products and services transferred at a point in time	2,694,210	1,869,434	-	-
Revenue from contracts with customers	5,013,715	3,544,065	-	-

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 3 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

5. REVENUE (CONTD.)

(a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the expected cost plus margin.

Revenue from property development and construction contracts are measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Revenue from property development

Revenue from sale of properties under development is recognised over the period of the contract using the input method by reference to the costs incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocations and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its costs estimation, including its obligations to contract variations, claims and cost contingencies.

There is no significant financing component in the revenue arising from sale of properties under development as the contracts are on normal credit terms not exceeding twelve months.

Revenue from construction contracts

Revenue from construction contracts is recognised over the period of the contract using the output method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time. The output method recognises revenue on the basis of direct measurements of value to the customer of the construction work performed to date relative to the remaining construction work promised under the contract, which is based on the contract work certified to date over the estimated total contract sum.

If control of asset transfers at a point in time, revenue is recognised at a point in time when the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

5. REVENUE (CONTD.)

(a) Revenue from property development and construction contracts (contd.)

Revenue from construction contracts (contd.)

The Group determines the transaction price of a construction contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

Significant judgement is required in estimating the progress towards complete satisfaction of performance obligations and in assessing the exposures to Liquidated Ascertained Damages ("LAD") based on the facts and circumstances of the relevant construction projects, including projects that had been served with certificates of non-achievement for project delays. In making these judgements, the Group evaluates based on experience and by relying on the work of specialists.

Information on trade receivables, contract assets and contract liabilities from contracts with customers are disclosed in Notes 25 and 31 to the financial statements respectively.

(b) Sale of completed properties and land

The Group recognises sales at a point in time for the sale of completed properties and land, when the control of the properties and land have been transferred to the purchasers, being when the properties and land have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties and land as the sales are made on the normal credit terms not exceeding twelve months.

(c) Sale of goods and services, rights of enjoyment and club subscription fees

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

Entrance fees collected for rights of enjoyment of facilities are recognised when tickets are utilised.

Club subscription fees are recognised on the accrual basis.

(d) Management fees

Management fees from the management of real estate investment funds activity and the provision of management services are recognised over time when customers simultaneously receive and consume the benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

5. REVENUE (CONTD.)

(e) Interest advances and share financing

Interest advances and share financing are recognised as income on accrual basis.

(f) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(g) Interest on lease and hire purchase

Interest on lease and hire purchase are recognised as income on the effective yield basis method.

(h) Dividend income

Dividend income is recognised when the rights of the Group and of the Company to receive payment are established.

6. COST OF SALES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Property development costs (Note 19(b))	(879,499)	(372,687)	-	-
Cost of completed properties and land sold	(22,116)	(18,165)	-	-
Construction contract costs	(906,976)	(719,866)	-	-
Cost of goods sold and services rendered	(2,145,200)	(1,594,199)	-	-
	(3,953,791)	(2,704,917)	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

7. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Bad debts recovered	563	1,088	5	-
Corporate guarantee commission fee	2,531	1,795	24,957	18,887
Fair value gain on:				
- investment properties (Note 18)	40,042	82,621	-	-
- derivatives	1,086	984	-	-
Gain on disposal of:				
- property, plant and equipment	47,775	3,330	921	-
- a joint venture	-	124	-	-
- other investments	26,628	-	-	-
Gain on liquidation of subsidiaries	361	-	-	-
Gain on reassessments and modifications of leases	1,051	4,055	-	2,022
Negative goodwill on acquisition of subsidiaries	-	460	-	-
Net gain arising from the remeasurements of previously held equity interests in former joint ventures	66,182	-	-	-
Procurement and marketing incentives	12,755	-	-	-
Rental income:				
- equipment	1,115	947	-	-
- land and buildings	12,848	8,902	-	18
- others	1,488	1,014	-	-
Rent concessions (Note 39)	-	3,496	-	-
Reversal of inventories written down to net realisable value (Note 19)	11	192	-	-
Foreign exchange gain:				
- realised	3,829	6,075	-	-
- unrealised	849	9,673	-	-

Rental income

Rental income is accounted for on a straight line basis over the lease term of an on going lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

8. FINANCE AND OTHER DISTRIBUTION INCOME AND FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Finance and other distribution income				
Finance and other distribution income from:				
- Advances to subsidiaries	-	-	39,644	71,098
- Advances to joint ventures	80,768	80,799	-	2,819
- Perpetual note of an associate	11,757	11,756	-	-
- Accretion of interest	4,017	-	-	-
- Deposits with licensed banks	4,819	1,497	244	423
- Short term funds	22,480	8,104	-	-
- Structured entities under the control of the Company	-	-	2,984	12,119
- Other investments	57,863	53,864	-	-
- Others	5,975	1,210	-	-
	187,679	157,230	42,872	86,459
Interest expense in relation to:				
- Hire purchase and lease liabilities	(6,853)	(8,687)	(68)	(43)
- Bank overdrafts	(1)	(35)	-	-
- Revolving credits	(64,196)	(31,829)	-	-
- Commercial papers and medium term notes	(26,566)	(10,599)	-	(984)
- Term loans	(37,156)	(16,015)	-	-
- Bankers' acceptances	(3,934)	(1,660)	-	-
- Bills discounting and receivable financing	(2,129)	(1,852)	-	-
- Perpetual sukuk	(30,800)	(30,800)	(30,800)	(39,527)
- Unwinding of discount	(7,036)	-	-	-
- Effect of discounting on recognition of non-current other receivable	(17,296)	-	-	-
- Others	(6,183)	(824)	-	-
	(202,150)	(102,301)	(30,868)	(40,554)

Interest income

Interest income from short term deposits, advances, perpetual note, structured entities under the control of the Company and other investments is recognised on the accrual basis, using the effective interest method, unless recoverability is in doubt, in which case, it is recognised on receipt basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

9. PROFIT BEFORE TAX

- (a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Auditors' remuneration:				
Statutory audit				
- BDO PLT	2,906	2,562	432	406
- Member firms of BDO PLT	1,009	703	-	-
- Other auditors	297	251	-	-
Non-audit services				
- Member firms and affiliates of BDO PLT	388	483	4	46
- Other auditor	7	-	-	-
Foreign exchange loss:				
- realised	1,964	3,742	-	100
- unrealised	2,621	7,101	2	5
- unrealised (hedged items)	24,307	50,089	-	-
Cash flow hedge reserve recycled to profit or loss	(24,307)	(50,089)	-	-
Fair value loss on:				
- investment properties (Note 18)	13,602	35,321	-	-
- investment properties under construction (Note 18)	2,931	-	-	-
- derivatives	52,214	24	-	-
- other investments	1,881	2,486	-	-
Impairment losses on investments in associates	17,483	2,987	-	-
Write down of inventories to net realisable value (Note 19)	4,367	5,023	-	-
Loss on disposal of property, plant and equipment	61	68	-	-
Loss on reassessments and modifications of leases	70	12	-	-
Loss on redemption of perpetual sukuk (Note 40)	-	-	-	2,980
Write off of:				
- amount due from a joint venture	142	-	-	-
- bad debts	252	312	-	15
- biological assets (Note 30)	-	11	-	-
- inventories (Note 19)	821	873	-	-
- property, plant and equipment	468	207	-	-
- intangible assets	41	-	-	-
Loss on liquidation of subsidiaries	443	-	-	-
Rental expense:				
- short term leases	5,348	4,227	-	-
- low value assets	3,632	1,740	-	-
- variable lease payments	44,663	25,840	-	-
Direct operating expenses arising from investment properties that generated rental income	57,740	49,636	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

9. PROFIT BEFORE TAX (CONTD.)

- (b) Net impairment losses/(reversals of impairment losses) on financial assets and contract assets recognised in profit or loss were as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Impairment losses on:				
- trade and other receivables (Notes 25, 26)	47,395	28,124	-	-
- amounts due from subsidiaries (Note 33)	-	-	9	-
- amounts due from associates (Note 34)	21	-	-	-
- amounts due from joint ventures (Note 35)	16	303	-	-
- contract assets (Note 31)	111	29	-	-
- quasi-equity loan advanced to joint ventures (Note 22)	295	838	-	-
	47,838	29,294	9	-
Reversals of impairment losses on:				
- trade and other receivables (Notes 25, 26)	(10,066)	(10,742)	-	-
- amounts due from subsidiaries (Note 33)	-	-	-	(2,394)
- amounts due from associates (Note 34)	(2)	(133)	-	-
- amounts due from joint ventures (Note 35)	(787)	(920)	-	-
- contract assets (Note 31)	(104)	(5)	-	-
	(10,959)	(11,800)	-	(2,394)
Net impairment losses/(reversals of impairment losses) on financial assets and contract assets	36,879	17,494	9	(2,394)

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Wages, salaries and bonuses	604,604	481,420	4,175	3,577
Social security contributions	5,869	5,110	18	19
Contributions to defined contribution plan	64,438	54,172	481	392
Other benefits	67,112	66,815	428	115
	742,023	607,517	5,102	4,103

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM36,592,000 (2021: RM19,241,000) and Nil (2021: Nil) as further disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

11. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Executive Directors' remuneration:				
Fees	100	100	-	-
Emoluments	36,492	19,141	-	-
Total Executive Directors' remuneration (excluding benefits-in-kind) (Note 10)	36,592	19,241	-	-
Estimated money value of benefits-in-kind	111	104	-	-
Total Executive Directors' remuneration including benefits-in-kind (Note 50)	36,703	19,345	-	-
Non-Executive Directors' remuneration:				
Fees	1,058	940	1,058	940
Other emoluments	238	271	238	271
Total Non-Executive Directors' remuneration	1,296	1,211	1,296	1,211
Total Directors' remuneration including benefits-in-kind	37,999	20,556	1,296	1,211

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2022	2021
Executive Directors:		
Below RM400,000	1	-
RM400,000 - RM600,000	-	1
RM1,000,000 - RM2,100,000	1	1
RM2,600,000 - RM8,400,000	1	1
RM9,600,000 - RM36,000,000	1	1
Non-Executive Directors:		
Below RM400,000	7	6

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

12. INCOME TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Current income tax:				
- Malaysian income tax	162,156	105,008	5,307	10,143
- Foreign income tax	15,123	8,336	-	-
	177,279	113,344	5,307	10,143
Under/(Over) provision in prior years:				
- Malaysian income tax	8,754	10,755	1,121	381
- Foreign income tax	834	(186)	-	-
	9,588	10,569	1,121	381
	186,867	123,913	6,428	10,524
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(18,266)	8,245	-	-
Over provision in prior years	(1,650)	(15,929)	-	-
	(19,916)	(7,684)	-	-
Total income tax expense	166,951	116,229	6,428	10,524

- (a) Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

12. INCOME TAX EXPENSE (CONTD.)

- (b) A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2022 RM'000	2021 RM'000
Continuing operations		
Profit before tax	920,051	463,899
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	220,812	111,336
Different tax rates in other countries	437	(586)
Deferred tax recognised at different tax rates	(6,490)	(6,084)
Income not subject to tax	(56,163)	(60,216)
Expenses not deductible for tax purposes	107,498	68,752
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	(52,882)	(7,649)
Deferred tax assets not recognised in respect of unrecognised tax losses, unabsorbed capital allowances, unabsorbed tax allowances and other deductible temporary differences	30,054	35,522
Effect of share of profit of associates	(28,625)	(14,440)
Effect of share of profit of joint ventures	(55,628)	(5,046)
Under provision of income tax in prior years	9,588	10,569
Over provision of deferred tax in prior years	(1,650)	(15,929)
Income tax expense for the year	166,951	116,229

	Company	
	2022 RM'000	2021 RM'000
Profit before tax	39,906	130,727
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	9,577	31,374
Income not subject to tax	(7,743)	(26,235)
Expenses not deductible for tax purposes	3,478	5,655
Utilisation of previously unrecognised other deductible temporary differences	(5)	(651)
Under provision of income tax in prior years	1,121	381
Income tax expense for the year	6,428	10,524

- (c) There is no tax effect on other comprehensive income of the Group and of the Company during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

13. DISCONTINUED OPERATIONS

Partial divestment of equity interest in Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries

On 23 June 2021, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, Sunway Healthcare Holdings Sdn. Bhd. ("SHH"), and Greenwood Capital Pte. Ltd. ("Greenwood") entered into a Share Subscription Agreement ("SSA") for the subscription of 100,000,000 ordinary shares in SHH, 10,000,000 irredeemable convertible preference shares in SHH ("ICPS") and 1 cumulative irredeemable dividend convertible preference share in SHH (collectively, "Subscription Shares") by Greenwood for a total subscription consideration of RM750 million in cash ("Subscription Amount").

The Subscription Amount will be paid over 5 tranches subject to the satisfaction of the closing conditions of the respective tranches in accordance with the SSA. In conjunction with the partial divestment, SunCity's equity interest in SHH would be diluted by 16% (on a fully converted basis).

On 23 December 2021, SunCity had fulfilled the initial closing conditions as stipulated in the SSA resulting in Greenwood becoming a shareholder of SHH, and a Shareholders' Agreement ("SHA") was entered into between the Company, SunCity, SHH and Greenwood (collectively, "Parties"), which sets out the terms governing the relationship between them, including the basis on which SHH and its subsidiaries (collectively, "SHH Group") shall be operated, managed and administered.

Consequently, SHH Group had been deconsolidated from SunCity, resulting in SHH Group being joint ventures, due to a loss of control in accordance with MFRS 10 *Consolidated Financial Statements*, as unanimous consent was required from both parties for any action or decision in respect of the reserved matters under the SHA. As a result, SunCity recognised its remaining equity interest in SHH Group as investments in joint ventures at fair value on initial recognition in the previous financial year.

Prior to the partial divestment, SunCity had completed an internal reorganisation exercise, which involved SHH acquiring all of the SunCity's equity interest in its subsidiaries.

Since the initial closing conditions were fulfilled on 23 December 2021, the Group had accounted for 100% of the results of SHH Group for the financial year ended 31 December 2021. In accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the financial results of SHH Group in the previous financial year were presented separately under discontinued operations in the statement of profit or loss of the Group.

The Parties have on 23 Decemeber 2021 signed a supplemental letter to the SSA ("SSA Supplemental Letter") to vary, among others, the date of the 1st Closing. Pursuant to the SSA Supplemental Letter, the Parties agreed that the 1st Closing had been amended from the later of the date falling six (6) months after the date of the SSA or the Initial Closing Date to the date falling nine (9) months after the date of the SSA. Accordingly, the 1st and 2nd Closing conditions as stipulated in the SSA have been fulfilled with Greenwood having paid the first and second tranches of the Subscription Amount of RM199,999,994 and RM100,000,000 on 23 March 2022 and 23 December 2022 to SHH respectively.

In addition, certain exit clauses of SSA and SHA were recognised as derivative liabilities following the partial divestment of 16% equity interest in SHH to Greenwood by SunCity as disclosed in Note 27(b)(iv) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

13. DISCONTINUED OPERATIONS (CONTD.)

Partial divestment of equity interest in Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries (contd.)

(a) The financial effects at the date of partial divestment were as follows:

	Group 2021 RM'000
Property, plant and equipment	1,548,336
Inventories	29,760
Goodwill	7,665
Trade and other receivables	266,410
Cash and bank balances	261,092
Trade and other payables	(296,873)
Deferred tax assets	9,847
Borrowings	(164,851)
Lease liabilities	(221,101)
Other assets	5,687
Other liabilities	(104)
Net carrying amount of SHH Group as at date of partial divestment	1,445,868
Net gain arising from the partial divestment of SHH Group	
Fair value of the remaining 84% equity interest in SHH Group retained and held as joint ventures	3,956,348
Less: Net carrying amount of Sunway Healthcare Group as at date of partial divestment	(1,445,868)
Net gain on partial divestment of discontinued operations and remeasurement of remaining equity interest held as joint ventures*	2,510,480
Less: Recognition of fair value of derivative liabilities	(224,364)
Net gain arising from the partial divestment of SHH Group	2,286,116

* Included loss on partial divestment of discontinued operations of RM231,339,000 as the Subscription Amount would be paid directly to SHH, which was divested from the Group. Hence, there were no divestment proceeds at the Group level. The effect of loss of control of SHH Group on cash flows of the Group was a cash outflow of RM261,092,000.

13. DISCONTINUED OPERATIONS (CONTD.)

Partial divestment of equity interest in Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries (contd.)

(b) Results of discontinued operations, net of tax

The analysis of the results of the discontinued operations was as follows:

	Group 2021 RM'000
Revenue	815,114
Expenses	(712,841)
Results from operating activities	102,273
Taxation	2,097
Results from operating activities, net of tax	104,370
Net gain on partial divestment of discontinued operations and remeasurement of remaining equity interest held as joint ventures	2,510,480
Recognition of fair value of derivative liabilities	(224,364)
Profit for the financial year from discontinued operations, net of tax	2,390,486

(i) Cash flows attributable to discontinued operations

	Group 2021 RM'000
Net cash from operating activities	266,263
Net cash used in investing activities	(996,505)
Net cash from financing activities	690,305
	(39,937)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

13. DISCONTINUED OPERATIONS (CONTD.)

Partial divestment of equity interest in Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries (contd.)

(b) Results of discontinued operations, net of tax (contd.)

(ii) Profit before taxation

	Group 2021 RM'000
Operating profit from discontinued operations has been arrived at after charging:	
Auditors' remuneration:	
Statutory audit	
- BDO PLT	148
- Member firms of BDO PLT	15
Non-audit services	
- Affiliates of BDO PLT	12
Loss on disposal of property, plant and equipment	297
Write off of:	
- bad debts	2,441
- property, plant and equipment	2,820
- inventories (Note 19)	513
- intangible assets	137
Write down of inventories to net realisable value (Note 19)	4,225
Foreign exchange loss:	
- realised	29
- unrealised	7
Rental expense:	
- short term leases	68
- low value assets	1,357
- variable lease payments	580
Interest expense in relation to:	
- hire purchase and lease liabilities	12,034
- bankers' acceptances	281
- amount due to a related party	9,510
- others	651
and crediting:	
Gain on disposal of property, plant and equipment	96
Gain on reassessments and modifications of leases	39
Rental income:	
- land and buildings	7,941
- others	1,900
Finance and other distribution income from:	
- short term funds	12,617
- others	322

13. DISCONTINUED OPERATIONS (CONTD.)

Partial divestment of equity interest in Sunway Healthcare Holdings Sdn. Bhd. and its subsidiaries (contd.)

(b) Results of discontinued operations, net of tax (contd.)

(ii) Profit before taxation (contd.)

Net impairment losses on financial assets recognised in profit or loss were as follows:

	Group 2021 RM'000
Impairment losses on:	
- trade and other receivables (Notes 25, 26)	8,006
Reversals of impairment losses on:	
- trade and other receivables (Notes 25, 26)	(1,226)
Net impairment losses on financial assets	6,780

(iii) Taxation

	Group 2021 RM'000
Malaysian income tax:	
- current year	300
- under provision in prior years	5
	305
Deferred tax:	
- relating to origination and reversal of temporary differences	(2,402)
	(2,097)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

14. EARNINGS PER SHARE

(a) Basic

	Group	
	2022	2021
Profit attributable to owners of the parent (RM'000)		
From continuing operations	676,845	293,504
Less: ICPS preferential dividends (Note 15)	(51,334)	(29,735)
	625,511	263,769
From discontinued operations	-	2,370,942
	625,511	2,634,711
Weighted average number of ordinary shares in issue ('000)*	5,866,853	5,866,745
Basic earnings per share (sen)		
From continuing operations	10.66	4.50
From discontinued operations	-	40.41
	10.66	44.91

(b) Diluted

	Group	
	2022	2021
Profit attributable to owners of the parent (RM'000)		
From continuing operations	676,845	293,504
Less: ICPS preferential dividends (Note 15)	(51,334)	(29,735)
	625,511	263,769
From discontinued operations	-	2,370,942
	625,511	2,634,711
Weighted average number of ordinary shares in issue ('000)*	5,996,370	5,935,520
Diluted earnings per share (sen)		
From continuing operations	10.43	4.44
From discontinued operations	-	39.94
	10.43	44.38

* The weighted average number of ordinary shares in issue includes the effect of dilution of warrants and ordinary shares that will be issued upon mandatory conversion of ICPS of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

15. DIVIDENDS PAID AND PROPOSED

	Group/Company	
	2022 RM'000	2021 RM'000
Dividends on ordinary shares declared and paid:		
Single-tier first interim dividend for 2020: 1.5 sen per ordinary share	-	73,334
Single-tier first interim dividend for 2021: 1.0 sen per ordinary share	-	48,891
Single-tier second interim dividend for 2021: 1.5 sen per ordinary share	73,336	-
Single-tier first interim dividend for 2022: 2.0 sen per ordinary share	97,781	-
	171,117	122,225
Dividends on irredeemable convertible preference share ("ICPS") declared and paid:		
Preferential dividend, for the period from 3 December 2020 (date of issuance) up to and including 31 December 2020 of 5.25% per annum per ICPS	-	4,068
Semi-annual preferential dividend, for the period from 1 January 2021 to 30 June 2021 of 5.25% per annum per ICPS	-	25,667
Semi-annual preferential dividend, for the period from 1 July 2021 to 31 December 2021 of 5.25% per annum per ICPS	25,667	-
Semi-annual preferential dividend, for the period from 1 January 2022 to 30 June 2022 of 5.25% per annum per ICPS	25,667	-
	51,334	29,735
Total dividends declared and paid	222,451	151,960

On 23 February 2023, the Board of Directors declared a single-tier second interim dividend of 3.5 sen per ordinary share of the Company ("Second Interim Dividend") and a semi-annual preferential dividend of 5.25% per annum based on the issue price of RM1 per ICPS for the period from 1 July 2022 up to and including 31 December 2022, in respect of the financial year ended 31 December 2022.

Accordingly, the entitled shareholders of the Company will receive the Second Interim Dividend, which comprise cash portion of 1.5 sen per ordinary share ("Non-Selectable Portion") to be paid in cash and an selectable portion of 2.0 sen per ordinary share ("Selectable Portion") in accordance with the Dividend Reinvestment Scheme ("DRS"). The entitled ICPS shareholders of the Company will receive preferential dividend in cash amounting to approximately RM25,667,000 on 13 April 2023.

The DRS which was approved by the shareholders of the Company at the Extraordinary General Meeting held on 26 June 2014, will apply to the Selectable Portion of the Second Interim Dividend, which provides the shareholders of the Company with an option to elect to reinvest their cash dividends into new ordinary shares, in lieu of receiving cash.

Bursa Malaysia Securities Berhad had, vide its letter dated 8 March 2023, approved the Company's application for the listing and quotation of up to 104,153,259 new ordinary shares to be issued by the Company pursuant to the DRS in respect of the Second Interim Dividend on the Main Market of Bursa Securities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

15. DIVIDENDS PAID AND PROPOSED (CONTD.)

The issue price of the new ordinary shares has been fixed on 21 March 2023 ("Price Fixing Date") at RM1.38 per new ordinary share. The issue price is fixed based on the five (5) day volume weighted average market price ("VWAMP") of ordinary shares in the Company ("Sunway Shares") of RM1.5645 up to and including the Price Fixing Date after adjusting for the following:

- the Second Interim Dividend of RM0.035 per ordinary share to the five (5) day VWAMP of Sunway Shares ("Ex-Dividend VWAMP"); and
- a discount of RM0.1495, which is approximately 9.77% discount to the Ex-Dividend VWAMP of RM1.5295.

The books closure date for the Second Interim Dividend has been fixed on 5 April 2023 and will be paid on 5 May 2023. The new ordinary shares will be listed on 8 May 2023.

Under the DRS, each shareholder will have the following options in respect of the Electable Portion:

- to elect to participate by reinvesting the whole of the Electable Portion into new ordinary shares at the issue price and to receive the Non-Electable portion in cash;
- to elect to participate by reinvesting part of the Electable Portion into new ordinary shares at the issue price, and receive the remaining portion of the Electable Portion and Non-Electable Portion in cash; or
- to elect not to participate in the reinvestment option and thereby receive the entire Second Interim Dividend entitlement in cash.

Any amount of dividend payment that is insufficient for issuance of one (1) board lot will be paid in cash to the shareholders of the Company.

The dividends will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 31 December 2023. The Board of Directors does not propose any final dividend for the financial year ended 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

16. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Leasehold land* RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in-progress RM'000	Right-of-use			Total RM'000
										Land and buildings RM'000	Motor vehicles and equipment RM'000		
At 31 December 2022													
Cost													
At beginning of financial year	69,448	647,025	317,918	95,439	977,057	71,167	249,470	46,059	34,169	271,595	5,271	2,784,618	2,784,618
Additions	-	6,993	-	7,195	40,758	6,571	22,693	1,824	34,512	36,321	739	159,606	159,606
Disposals/write-offs	(536)	(187)	(52,244)	(8,085)	(3,839)	(11,316)	(9,146)	-	(24,447)	-	-	(109,800)	(109,800)
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	(31,140)	(1,097)	(32,237)	(32,237)
Reclassifications	-	1,161	(24,458)	1,861	2,635	(466)	(76)	-	19,333	-	-	-	-
Transfers from investment properties (Note 18)	-	-	-	-	-	-	-	-	-	-	-	43,806	43,806
Transfers to intangible assets (Note 17)	-	-	-	-	-	-	(297)	-	(969)	-	-	(1,266)	(1,266)
Effects of joint ventures becoming subsidiaries	-	-	-	-	-	-	30	-	-	167	-	197	197
Exchange differences	(231)	1,897	6,969	751	(1,025)	179	1,418	-	1,094	856	(10)	11,898	11,898
At end of financial year	68,681	656,889	291,991	97,161	1,015,586	68,145	264,092	47,883	63,692	277,799	4,903	2,856,822	2,856,822
Accumulated depreciation													
At beginning of financial year	-	200,623	15,047	54,405	720,614	60,205	194,498	25,368	-	161,353	2,882	1,434,995	1,434,995
Depreciation charge for the year	-	12,930	3,485	8,570	42,407	5,391	14,478	3,662	-	31,836	689	123,448	123,448
Disposals/write-offs	-	(63)	(2)	(5,500)	(2,812)	(10,704)	(8,356)	-	-	(27,437)	-	(27,437)	(27,437)
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	(28,781)	(1,068)	(29,849)	(29,849)
Reclassifications	-	(6,402)	6,550	591	(355)	(230)	(154)	-	-	-	-	-	-
Transfers to intangible assets (Note 17)	-	-	-	-	-	-	(220)	-	(220)	-	-	(220)	(220)
Effects of joint ventures becoming subsidiaries	-	-	-	-	-	-	13	-	-	98	-	111	111
Exchange differences	-	1,177	340	705	(775)	138	1,318	-	-	398	1	3,302	3,302
At end of financial year	-	208,265	25,420	58,771	759,079	54,800	201,577	29,030	-	164,904	2,484	1,504,330	1,504,330
Accumulated impairment losses													
At beginning/end of financial year	-	47,350	2,637	-	36,879	35	382	-	87	-	-	87,370	87,370
Net carrying amount	68,681	401,274	263,934	38,390	219,628	13,310	62,133	18,853	63,605	112,895	2,419	1,265,122	1,265,122

* Leasehold land are in respect of right-of-use assets for which the Group has land titles.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

16. Property, plant and equipment (contd.)

Group	Freshhold land RM'000	Buildings RM'000	Leasehold land* RM'000	Renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Quarry development expenditure RM'000	Capital work-in-progress RM'000	Subtotal RM'000	Land and buildings RM'000	Right-of-use Land and buildings RM'000	Motor vehicles and equipment RM'000	Total RM'000
At 31 December 2021														
Cost														
At beginning of financial year	110,713	1,112,918	338,785	155,395	972,733	67,466	663,173	41,388	394,861	3,857,432	605,984	11,669	4,475,085	
Additions	-	3,260	1,116	9,922	18,118	2,278	45,359	3,203	280,958	364,214	20,860	393	385,467	
Disposals/write-offs	-	(112)	(1,089)	(5,917)	(17,822)	(5,189)	(42,779)	-	(132)	(73,040)	(1,085)	-	(74,125)	
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	-	(83,840)	(672)	(84,512)	
Reclassifications	-	916	20,647	(148)	(1,717)	4,987	181	1,468	(36,047)	(9,713)	11,600	(1,887)	-	
Transfers to investment properties (Note 18)	-	-	-	(351)	-	-	-	-	(1,840)	(2,191)	-	-	(2,191)	
Transfers from/to intangible assets (Note 17)	-	-	-	-	-	-	790	-	(88)	702	-	-	702	
Acquisition of subsidiaries	-	2,581	-	1,492	2,001	2,421	8,173	-	16,668	20,263	20,263	-	36,931	
Loss of control of subsidiaries	(41,340)	(477,952)	(43,227)	(65,208)	-	(932)	(426,502)	-	(603,571)	(1,658,732)	(301,524)	(4,214)	(1,964,470)	
Exchange differences	75	5,414	1,686	254	3,744	136	1,075	28	28	12,412	(663)	(18)	11,731	
At end of financial year	69,448	647,025	317,918	95,439	977,057	71,167	249,470	46,059	34,169	2,507,752	271,595	5,271	2,784,618	
Accumulated depreciation														
At beginning of financial year	-	207,762	10,522	52,850	693,187	55,163	398,779	21,005	-	1,439,268	320,202	7,937	1,767,407	
Depreciation charge for the year	-	26,217	3,811	14,369	44,221	5,581	60,255	4,363	-	158,817	45,873	1,524	206,214	
Disposals/write-offs	-	(12)	(164)	(2,709)	(16,604)	(4,934)	(42,063)	-	-	(66,486)	(1,085)	-	(67,571)	
Reassessment and modification of leases	-	-	-	-	-	-	-	-	-	-	(77,288)	(644)	(77,932)	
Reclassifications	-	(715)	2,114	(286)	(2,727)	3,216	230	-	-	1,832	244	(2,076)	-	
Transfers to intangible assets (Note 17)	-	-	-	-	-	-	(146)	-	-	(146)	-	-	(146)	
Acquisition of subsidiaries	-	563	-	1,060	302	1,682	5,013	-	-	8,620	8,944	-	17,564	
Loss of control of subsidiaries	-	(35,602)	(1,422)	(11,083)	-	(613)	(228,493)	-	-	(277,213)	(135,074)	(3,847)	(416,134)	
Exchange differences	-	2,410	186	204	2,235	110	923	-	-	6,068	(463)	(12)	5,593	
At end of financial year	-	200,623	15,047	54,405	720,614	60,205	194,498	25,368	-	1,270,760	161,353	2,882	1,434,995	
Accumulated impairment losses														
At beginning of financial year	-	47,311	2,237	-	36,879	35	382	-	87	86,931	-	-	86,931	
Impairment loss for the year	-	39	400	-	-	-	-	-	-	439	-	-	439	
At end of financial year	-	47,350	2,637	-	36,879	35	382	-	87	87,370	-	-	87,370	
Net carrying amount	69,448	399,052	300,234	41,034	219,564	10,927	54,590	20,691	34,082	1,149,622	110,242	2,389	1,262,253	

* Leasehold land are in respect of right-of-use assets for which the Group has land titles.

16. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company	Equipment, furniture and fittings RM'000	Motor vehicles RM'000	Subtotal RM'000	Right-of-use Land and buildings RM'000	Total RM'000
At 31 December 2022					
Cost					
At beginning of financial year	2,176	2,566	4,742	1,061	5,803
Additions	-	2,503	2,503	33	2,536
Disposals	-	(2,566)	(2,566)	-	(2,566)
Write-offs	(29)	-	(29)	-	(29)
Reassessment and modification of leases	-	-	-	765	765
At end of financial year	2,147	2,503	4,650	1,859	6,509
Accumulated depreciation					
At beginning of financial year	2,132	2,566	4,698	265	4,963
Depreciation charge for the year	37	279	316	263	579
Disposals	-	(2,566)	(2,566)	-	(2,566)
Write-offs	(29)	-	(29)	-	(29)
At end of financial year	2,140	279	2,419	528	2,947
Net carrying amount	7	2,224	2,231	1,331	3,562
At 31 December 2021					
Cost					
At beginning of financial year	2,154	2,566	4,720	27,316	32,036
Additions	22	-	22	-	22
Reassessment and modification of leases	-	-	-	(26,255)	(26,255)
At end of financial year	2,176	2,566	4,742	1,061	5,803
Accumulated depreciation					
At beginning of financial year	2,070	2,566	4,636	19,334	23,970
Depreciation charge for the year	62	-	62	265	327
Reassessment and modification of leases	-	-	-	(19,334)	(19,334)
At end of financial year	2,132	2,566	4,698	265	4,963
Net carrying amount	44	-	44	796	840

(a) Leasehold land, right-of-use land and buildings, right-of-use motor vehicles and right-of-use equipment represent right-of-use assets arising from lease arrangements that do not meet the definition of investment property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

16. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (b) The Group assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the performance of Cash Generating Units ("CGUs"). Management considered certain CGUs which are loss-making as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

Management has determined that the recoverable amounts of certain property, plant and equipment are lower than their carrying amounts. Accordingly, impairment losses on property, plant and equipment of the Group amounted to RM439,000 was recognised within administrative and other expenses in the statements of profit or loss in the previous financial year. The pre-tax discount rates applied on the cash flow projections in determining the recoverable amounts range from 5.5% to 9.5% (2021: 5.6% to 9.6%).

- (c) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2%
Renovations	4% - 33%
Plant and machinery	5% - 20%
Motor vehicles	10% - 20%
Equipment, furniture and fittings	5% - 33%

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Quarry development expenditure consists of expenditure incurred to construct infrastructure to facilitate the quarry operations. Quarry development expenditure is amortised over the extractable rock reserves period, ranging from 3 to 80 years.

The useful lives and residual values of property, plant and equipment (excluding right-of-use assets) are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

- (d) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the periods of the lease terms. The principal depreciation periods are as follows:

Leasehold land	over the lease periods from 45 to 81 years
Land and buildings	over the lease periods from 1 to 47 years
Motor vehicles and equipment	over the lease periods from 1 to 5 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

16. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

- (e) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Additions of property, plant and equipment	159,606	385,467	2,536	22
Additions via hire purchase and lease liabilities	(37,060)	(21,253)	(33)	-
Movement in property, plant and equipment creditor	-	(5,959)	-	-
Capitalisation of borrowing costs	-	(14,397)	-	-
Cash outflow for acquisition of property, plant and equipment	122,546	343,858	2,503	22

- (f) The cash inflows from disposal of property, plant and equipment of the Group and the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash received	159,090	6,588	921	-
Recognition of other receivables	57,857	-	-	-
Total sale considerations for the disposal of property, plant and equipment	216,947	6,588	921	-

- (g) In the previous financial year, included in property, plant and equipment of the Group were amounts of RM14,397,000 for borrowing costs capitalised at interest rates ranging from 3.88% to 4.32% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

17. INTANGIBLE ASSETS

Group	Software RM'000	Operating right RM'000	Data cost RM'000	Trademark and brand name RM'000	Total RM'000
At 31 December 2022					
Cost					
At beginning of financial year	61,304	28,263	16,148	45,062	150,777
Additions	7,046	-	4,912	4	11,962
Reclassification	(936)	-	947	(11)	-
Transfers from property, plant and equipment (Note 16)	1,266	-	-	-	1,266
Write-offs	(788)	-	(8,962)	-	(9,750)
Disposals	(854)	-	-	-	(854)
Exchange differences	33	-	-	-	33
At end of financial year	67,071	28,263	13,045	45,055	153,434
Accumulated amortisation					
At beginning of financial year	54,449	10,089	11,081	-	75,619
Amortisation charge for the year	4,244	-	2,135	-	6,379
Reclassification	(644)	-	644	-	-
Transfers from property, plant and equipment (Note 16)	220	-	-	-	220
Write-offs	(758)	-	(8,951)	-	(9,709)
Disposals	(500)	-	-	-	(500)
Exchange differences	35	-	-	-	35
At end of financial year	57,046	10,089	4,909	-	72,044
Accumulated impairment loss					
At beginning/end of financial year	-	18,173	-	-	18,173
Net carrying amount	10,025	1	8,136	45,055	63,217

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

17. INTANGIBLE ASSETS (CONTD.)

Group	Software RM'000	Operating right RM'000	Data cost RM'000	Trademark and brand name RM'000	Total RM'000
At 31 December 2021					
Cost					
At beginning of financial year	97,526	28,263	13,604	86	139,479
Additions	6,786	-	2,456	1	9,243
Transfers (to)/from property, plant and equipment (Note 16)	(790)	-	88	-	(702)
Write-offs	(8,345)	-	-	-	(8,345)
Disposals	(30)	-	-	-	(30)
Loss of control of subsidiaries	(33,853)	-	-	-	(33,853)
Acquisition of subsidiaries	-	-	-	10	10
Effect of purchase price allocation	-	-	-	44,965	44,965
Exchange differences	10	-	-	-	10
At end of financial year	61,304	28,263	16,148	45,062	150,777
Accumulated amortisation					
At beginning of financial year	76,713	10,089	9,271	-	96,073
Amortisation charge for the year	8,562	-	1,810	-	10,372
Transfers from property, plant and equipment (Note 16)	146	-	-	-	146
Write-offs	(8,208)	-	-	-	(8,208)
Disposals	(17)	-	-	-	(17)
Loss of control of subsidiaries	(22,751)	-	-	-	(22,751)
Exchange differences	4	-	-	-	4
At end of financial year	54,449	10,089	11,081	-	75,619
Accumulated impairment loss					
At beginning/end of financial year	-	18,173	-	-	18,173
Net carrying amount	6,855	1	5,067	45,062	56,985

Intangible assets with finite lives such as software, operating right and data costs are initially measured at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives.

Software

Software that does not form an integral part of the related hardware is treated as intangible asset with finite life and is amortised over its estimated useful life of 3 to 5 years.

Operating right

Operating right relates to the exclusive right granted by a third party to operate and manage the park and ride facilities in the Group. Operating right has finite useful life and is amortised over its estimated useful life of 30 years.

Data cost

Data cost represents the database of corporate information used for the provision of credit reference, credit rating and other related services. Data cost has finite life and is amortised over its estimated useful life of 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

17. INTANGIBLE ASSETS (CONTD.)

Trademark and brand name

The costs of trademark and brand name acquired represent their fair values as at the date of acquisition. The useful lives of trademark and brand name are estimated to be indefinite because based on the current market share of the trademark and brand name, management believes there is no foreseeable limit to the period over which the trademark and brand name are expected to generate net cash flows to the Group. Trademark and brand name are stated at cost less any impairment losses. The carrying amounts of trademark and brand name are reviewed annually and adjusted for impairment where they are considered necessary.

The carrying amounts of trademark and brand name have been allocated to the CGU identified from the others segment - pharmaceutical. The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management. The disclosure of key inputs and assumptions are similar to the impairment assessment on the goodwill, which have been set out in Note 23 to the financial statements.

18. INVESTMENT PROPERTIES

	Group	
	2022 RM'000	2021 RM'000
Investment properties	2,061,172	1,973,600
Investment properties under construction	382,009	212,713
	2,443,181	2,186,313

Investment properties

	Group	
	2022 RM'000	2021 RM'000
At valuation		
At beginning of financial year	1,973,600	1,817,396
Additions	73,480	39,502
Transfers (to)/from:		
- property, plant and equipment (Note 16)	(43,806)	2,191
- land held for development (Note 19(a))	53,563	-
- investment properties under construction	-	54,892
Fair value adjustments:		
- gains*	40,042	82,621
- losses	(13,602)	(35,321)
Loss of control of subsidiaries#	-	5,000
Reversal of subsequent expenditure	(1,903)	-
Exchange differences	(20,202)	7,319
At end of financial year	2,061,172	1,973,600

* Pursuant to this, the fair value gains on investment properties are derived from gross fair value gains amounting to RM37,570,000 (2021: RM83,038,000) and an upward/(downward) adjustment of RM2,472,000 (2021: RM417,000).

Represented realisation of fair value adjustment following the partial divestment of SHH Group.

The investment properties consist of the following:

	Group	
	2022 RM'000	2021 RM'000
Long term leasehold land	303,876	340,030
Freehold land	88,199	88,200
Buildings	1,669,097	1,545,370
	2,061,172	1,973,600

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

Investment properties under construction

	Group	
	2022 RM'000	2021 RM'000
At cost		
At beginning of financial year	212,713	216,004
Additions	19,836	51,601
Transfers from/(to):		
- property development costs (Note 19(b))	3,885	-
- investment properties	-	(54,892)
At end of financial year	236,434	212,713
At valuation		
At beginning of financial year	-	-
Additions	14,575	-
Transfer from:		
- property development costs (Note 19(b))	133,931	-
Fair value loss	(2,931)	-
At end of financial year	145,575	-

The investment properties under construction consist of the following:

	Group	
	2022 RM'000	2021 RM'000
Long term leasehold land	99,613	99,614
Buildings	282,396	113,099
	382,009	212,713

The carrying amounts of the investment properties and certain investment properties under construction as at 31 December 2022 and 31 December 2021 were based on valuations carried out by Knight Frank Malaysia Sdn. Bhd. and CBRE Limited. Fair value is determined primarily based on investment and comparison approaches. The fair value measurements of the investment properties are based on the highest and best use, which do not differ from their actual use.

(a) Long term leasehold land represent right-of-use asset arising from lease arrangements that meet the definition of investment property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

- (b) Investment properties (excluding right-of-use assets) are initially measured at cost, including transaction costs. Investment properties under right-of-use assets are initially measured at costs, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss. Fair value gain would be adjusted after taking into consideration of the difference in recognising the rental income on a straight-line basis over the lease term and rental income billed to the tenant in the current financial year, where applicable.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is completed, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

- (c) Interest expense capitalised during the financial year under investment properties under construction of the Group amounting to RM10,345,000 (2021: RM7,050,000) at interest rates ranging from 4.19% to 5.33% (2021: 4.18% to 4.62%) per annum.
- (d) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties and investment properties under construction:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
At 31 December 2022				
Investment properties:				
Commercial properties	-	-	332,253	332,253
Education properties	-	-	404,095	404,095
Leisure and other properties	-	-	223,202	223,202
Residential properties	-	-	1,101,622	1,101,622
	-	-	2,061,172	2,061,172
Investment properties under constructions:				
Commercial properties	-	-	145,575	145,575
At 31 December 2021				
Investment properties:				
Commercial properties	-	68,956	264,807	333,763
Education properties	-	221,014	229,643	450,657
Leisure and other properties	-	153,382	12,050	165,432
Residential properties	-	1,023,748	-	1,023,748
	-	1,467,100	506,500	1,973,600

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

- (d) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties and investment properties under construction: (contd.)

Fair value reconciliation of investment properties and investment properties under construction measured at Level 3

	Commercial RM'000	Education RM'000	Leisure and others RM'000	Residential RM'000	Total RM'000
Investment properties:					
At 1 January 2022	264,807	229,643	12,050	-	506,500
Re-measurement recognised in other (expenses)/income					
- unrealised	(3,067)	1,130	1,988	26,389	26,440
Additions	1,557	-	236	71,687	73,480
Reversal of subsequent expenditure	-	(1,903)	-	-	(1,903)
Transfer (to)/from:					
- property, plant and equipment (Note16)	-	(45,789)	1,983	-	(43,806)
- land held for development (Note 19(a))	-	-	53,563	-	53,563
Transfer from Level 2 fair value	68,956	221,014	153,382	1,023,748	1,467,100
Exchange differences	-	-	-	(20,202)	(20,202)
At 31 December 2022	332,253	404,095	223,202	1,101,622	2,061,172
Investment properties under construction:					
At 1 January 2022	-	-	-	-	-
Additions	14,575	-	-	-	14,575
Transfer from:					
- property development costs (Note19 (b))	133,931	-	-	-	133,931
Re-measurement recognised in other expenses					
- unrealised	(2,931)	-	-	-	(2,931)
At 31 December 2022	145,575	-	-	-	145,575

	Commercial RM'000	Education RM'000	Leisure and others RM'000	Total RM'000
At 1 January 2021	209,147	208,660	12,100	429,907
Re-measurement recognised in other income/ (expenses)				
- unrealised	603	20,094	(50)	20,647
Additions	433	727	-	1,160
Transfer from property, plant and equipment	-	162	-	162
Transfer from investment properties under construction	54,624	-	-	54,624
At 31 December 2021	264,807	229,643	12,050	506,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

(e) Description of valuation techniques used and key inputs to valuation on investment properties and investment properties under construction measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2022				
Commercial	Investment method	Estimated rental value per square feet per month	RM0.55 to RM47.11	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM95.00 to RM173.43	
		Estimated outgoings per square feet per month	RM1.25 to RM6.78	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM14.25 to RM30.97	
	Void allowance	5.00% to 10.00%	Higher range of inputs, lower fair value.	
	Market yield rate	6.25% to 7.75%		
	Discount rate	6.50% to 7.25%		
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 15.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM100.00 to RM250.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	2.50% to 5.00%	Higher depreciation rate, lower fair value.

18. INVESTMENT PROPERTIES (CONTD.)

(e) Description of valuation techniques used and key inputs to valuation on investment properties and investment properties under construction measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
At 31 December 2022 (contd.)				
Commercial	Residual method	Rate of construction	61.60%	Higher construction rate, higher fair value.
		Total Gross Development Value	RM244,335,745	
		Remaining Gross Development Cost	RM90,362,627	Higher remaining gross development cost, lower fair value.
		Remaining Development Period	2 years	Shorter remaining development period, higher fair value.
		Discount rate	8.25%	Higher range of inputs, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 5.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM240.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	15.00%	Higher depreciation rate, lower fair value.
		Investment method	Estimated replacement cost per square feet	RM206.00
Leisure	Investment method	Depreciation rate	1.50%	Higher depreciation rate, lower fair value.
		Estimated rental value per square feet per month	RM1.57	Higher estimated rental, higher fair value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**

18. INVESTMENT PROPERTIES (CONTD.)

(e) Description of valuation techniques used and key inputs to valuation on investment properties and investment properties under construction measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
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At 31 December 2022 (contd.)

Leisure	Investment method	Estimated outgoings per square feet per month	RM0.104	Higher estimated outgoings, lower fair value.
		Void allowance	5.00%	
		Market yield rate	4.00% to 7.00%	Higher range of inputs, lower fair value.
	Discount rate	7.00%		
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to 5.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM90.00 to RM200.00	Higher estimated replacement cost, lower fair value.
		Depreciation rate	57.00% to 59.00%	Higher depreciation rate, lower fair value.

At 31 December 2021

Commercial	Investment method	Estimated rental value per square feet per month	RM0.50 to RM49.31	Higher estimated rental, higher fair value.
		Estimated rental value per parking bay per month	RM95.00 to RM159.55	
		Estimated outgoings per square feet per month	RM1.25 to RM6.78	Higher estimated outgoings, lower fair value.
		Estimated outgoings per parking bay per month	RM14.25 to RM31.50	
		Void allowance	5.00% to 10.00%	Higher range of inputs, lower fair value.
	Market yield rate	6.25% to 8.00%		
	Discount rate	6.50% to 7.25%		
	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-10.00% to 5.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM100.00 to RM250.00	Higher estimated replacement cost, lower fair value.

18. INVESTMENT PROPERTIES (CONTD.)

(e) Description of valuation techniques used and key inputs to valuation on investment properties and investment properties under construction measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship
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At 31 December 2021 (contd.)

Commercial	Cost method	Depreciation rate	2.50%	Higher depreciation rate, lower fair value.
Education	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to -5.00%	Higher differential rate, lower fair value.
		Estimated replacement cost per square feet	RM240.00	Higher estimated replacement cost, lower fair value.
	Depreciation rate	13.00%	Higher depreciation rate, lower fair value.	
	Investment method	Estimated replacement cost per square feet	RM212.00	Higher estimated replacement cost, lower fair value.
Leisure	Investment method	Depreciation rate	1.50%	Higher depreciation rate, lower fair value.
		Estimated rental value per square feet per month	RM1.57	Higher estimated rental, higher fair value.
	Estimated outgoings per square feet per month	RM0.08	Higher estimated outgoings, lower fair value.	
	Void allowance	5.00%	Higher range of inputs, lower fair value.	
	Market yield rate	3.50% to 7.00%		
Discount rate	7.00%			

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

- (e) Description of valuation techniques used and key inputs to valuation on investment properties and investment properties under construction measured at Level 3: (contd.)

Property category	Valuation technique	Significant unobservable inputs	Range	Inter-relationship		
At 31 December 2021 (contd.)						
Leisure	Cost method	Difference in location, time factor, size, land usage, shape, tenure and main road frontage	-30.00% to -5.00%	Higher differential rate, lower fair value.		
			Estimated replacement cost per square feet		RM90.00 to RM200.00	Higher estimated replacement cost, lower fair value.
			Depreciation rate		52.00% to 55.00%	Higher depreciation rate, lower fair value.

- (f) Methods of valuation

Comparison method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

The land is valued by reference to transactions of similar lands in surrounding with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

Buildings under construction are valued by reference to the total development costs incurred to date plus profits expected from its designated usage, discounted to their present value at a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

During the financial year, all investment properties valued using the comparison method are transferred from Level 2 to Level 3 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

18. INVESTMENT PROPERTIES (CONTD.)

- (f) Methods of valuation (contd.)

Investment method

A property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. As an accepted method within the income approach to valuation, the investment method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. In the case of investment properties, periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating incomes, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/(decreases) in estimated rental value and outgoings per annum in isolation would result in a significant higher/(lower) fair value of the properties. Significant increases/(decreases) in market yield and discount rate in isolation would result in a significantly lower/(higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate.

19. INVENTORIES

Note	Group	
	2022 RM'000	2021 RM'000
Non-current		
Land held for property development		
- At cost	1,838,430	1,669,818
- At net realisable value	1,327	1,308
(a)	1,839,757	1,671,126

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

19. INVENTORIES (CONTD.)

	Note	Group	
		2022 RM'000	2021 RM'000
Current			
At cost:			
Properties held for sale		106,879	106,575
Trading inventories		321,808	283,631
Food and beverages		2,298	1,116
Consumables		3,045	2,430
Raw materials		37,070	38,465
Work in progress		6,564	5,874
Finished goods		141,776	131,154
		619,440	569,245
Property development costs	(b)	2,581,890	1,751,883
At net realisable value:			
Properties held for sale		126	126
Trading inventories		77,340	100,150
Raw materials		579	807
Work in progress		57	37
Finished goods		88	103
		78,190	101,223
		3,279,520	2,422,351
Non-current		1,839,757	1,671,126
Current		3,279,520	2,422,351
		5,119,277	4,093,477

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

19. INVENTORIES (CONTD.)

(a) Land held for property development

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 December 2022					
At beginning of financial year		848,397	206,877	615,852	1,671,126
Additions		279,302	2,425	45,428	327,155
Disposal		(6,020)	-	-	(6,020)
Net transfers from/(to):					
- Property development costs	19(b)	27,162	(156,340)	(149,448)	(278,626)
- Investment properties	18	(35,820)	-	(17,743)	(53,563)
Reclassifications		16,247	-	(16,247)	-
Acquisition of a subsidiary	20(f)	-	110,093	69,592	179,685
At end of financial year		1,129,268	163,055	547,434	1,839,757

At 31 December 2021

At beginning of financial year		898,262	247,122	650,116	1,795,500
Additions		12,125	1,409	70,446	83,980
Net transfers to:					
- Property development costs	19(b)	(61,990)	(41,654)	(104,710)	(208,354)
At end of financial year		848,397	206,877	615,852	1,671,126

(b) Property development costs

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
At 31 December 2022						
At beginning of financial year		809,610	340,292	3,146,353	(2,544,372)	1,751,883
Costs incurred during the year		11,576	4,905	733,192	-	749,673
Recognised during the year	6	-	-	-	(879,499)	(879,499)
Exchange differences		-	(1,437)	(10,824)	11,191	(1,070)
Reclassifications		-	5,637	(5,637)	-	-
Net transfers (to)/from:						
- Land held for property development	19(a)	(27,162)	156,340	149,448	-	278,626
- Investment properties under construction	18	-	(18,233)	(119,583)	-	(137,816)
- Inventories - Properties held for sale		-	(1,075)	(20,516)	-	(21,591)
Reversal of completed projects		(607)	(33,966)	(710,173)	744,746	-
Over provision in prior years		(753)	(1,865)	(31,614)	-	(34,232)
Effects of joint ventures becoming subsidiaries		273,943	368,951	233,022	-	875,916
Property development costs at end of financial year		1,066,607	819,549	3,363,668	(2,667,934)	2,581,890

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

19. INVENTORIES (CONTD.)

- (b) Property development costs (contd.)

Group	Note	Freehold land RM'000	Long term leasehold land RM'000	Development costs RM'000	Cumulative costs recognised in profit or loss RM'000	Total RM'000
At 31 December 2021						
At beginning of financial year		658,069	424,095	3,302,841	(2,916,334)	1,468,671
Costs incurred during the year		163,751	2,153	386,130	-	552,034
Reversal of land cost		(68,947)	-	-	-	(68,947)
Recognised during the year	6	-	-	-	(372,687)	(372,687)
Exchange differences		-	(4,759)	(30,346)	37,066	1,961
Net transfers from/(to):						
- Land held for property development	19(a)	61,990	41,654	104,710	-	208,354
- Inventories - Properties held for sale		(619)	(60)	(3,702)	-	(4,381)
Reversal of completed projects		(4,634)	(122,754)	(581,123)	708,511	-
Over provision in prior years		-	(37)	(32,157)	(928)	(33,122)
Property development costs at end of financial year		809,610	340,292	3,146,353	(2,544,372)	1,751,883

- (c) Long term leasehold land represents costs incurred as a consequence of having used the right-of-use assets to produce inventories during the financial year in accordance with MFRS 102 *Inventories*.
- (d) Land held for property development is classified within non-current assets and is stated at the lower of cost and net realisable value.
- (e) Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

The Group recognises in profit or loss the property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligations at the reporting period. It is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred.

Substantial changes in cost estimates can have a significant effect on the profitability of the Group in future periods. In making the above judgement, the Group relies on past experience and work of specialists. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations.

- (f) Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.
- (g) Costs of trading inventories, food and beverages and consumables are determined on a weighted average basis, while cost of raw materials, work in progress and finished goods are determined on a weighted average and first in, first out basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

19. INVENTORIES (CONTD.)

- (h) The amount of inventories recognised as an expense during the financial year are included in the cost of sales of the Group as disclosed in Note 6 to the financial statements.
- (i) A write-down of inventories to net realisable value and write-off of inventories of RM4,367,000 (2021: RM9,248,000) and RM821,000 (2021: RM1,386,000) respectively were made during the year.
- (j) The Group reversed RM11,000 (2021: RM192,000) in respect of inventories written down in the previous financial years that were subsequently not required as the Group was able to sell those inventories above their carrying amounts.
- (k) Interest expense capitalised under property development costs and land held for development costs of the Group amounted to RM40,004,000 (2021: RM21,938,000) and RM40,991,000 (2021: RM46,422,000) at interest rates ranging from 3.12% to 6.50% (2021: 3.06% to 5.56%) respectively.

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
At cost		
Unquoted ordinary shares	209,625	209,625
Unquoted preference shares	6,696,057	6,683,057
At fair value		
Quoted units in wholesale funds	40,798	331,601
	6,946,480	7,224,283

- (a) Investments in subsidiaries other than quoted units in wholesale funds are stated in the separate financial statements of the Company at cost less impairment losses, if any.

Quoted units in wholesale funds are classified as financial assets measured at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. The fair value of quoted units in wholesale funds is categorised as Level 2 in the fair value hierarchy.

- (b) All components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.
- (c) The Company and/or its subsidiaries review the investments in subsidiaries measured at cost for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (d) The Group and the Company determined that their placements in wholesale funds are in substance, structured entities under their control in accordance with MFRS 10 *Consolidated Financial Statements*, taking into consideration their power over the wholesale funds, exposure or rights to variable returns from their involvement with the wholesale funds and their ability to use their power over the wholesale funds to affect the amount of their returns.

The Group and the Company invested in these wholesale funds with the objective of achieving short term to long term income for their treasury management purposes. The funds are managed by the respective fund managers, who apply various investment strategies to accomplish their respective investment objectives. Their operations are financed through the creation of investee fund units, which in turn entitle the holders to variable returns and fair values in the respective wholesale fund's net assets.

In relation to this, the Group and the Company hold 76% to 100% (2021: 51% to 100%) directly and indirectly in most of these wholesale funds as disclosed in Note 51 to the financial statements, which are all established in Malaysia. The Group and the Company are exposed to, or has rights to variable returns from their involvements in these funds. Accordingly, these funds are deemed as subsidiaries of the Group and of the Company and have been consolidated in the financial statements of the Group.

During the current financial year, the Company had net redemptions of units in its wholesale funds amounting to RM290,803,000 (2021: RM30,539,000).

- (e) During the financial year, the Group completed the following subscriptions, acquisitions, incorporations of companies, redemptions, dilutions of subsidiaries, reclassification from a subsidiary to a joint venture and reclassifications from joint ventures to subsidiaries:
- (i) On 17 January 2022, Sunway Resort Hotel Sdn. Bhd. ("SRH"), a wholly-owned subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is a wholly-owned subsidiary of the Company, had incorporated a new subsidiary known as Sunway Black Tap Sdn. Bhd. ("SBT") with paid-up share capital of RM2 comprising 2 ordinary shares. On 2 February 2022, SRH had further subscribed for additional 88 ordinary shares at an issue price of RM1 each, while the non-controlling interest had subscribed 10 ordinary shares at an issue price of RM1 each. Pursuant to that, the effective interest of SRH in SBT has reduced to 90% of the enlarged paid-up share capital of SBT;
- (ii) On 24 January 2022, Sunway Rahman Putra Sdn. Bhd. ("SRP"), a wholly-owned subsidiary of SunCity had allotted 52,942 ordinary shares and 123,530 non-convertible non-cumulative redeemable preference shares ("NCNCRPS") for a total cash consideration of RM176,472 to a new shareholder, which reduced SunCity's shareholding in the share capital of SRP by 15%;
- (iii) On 28 January 2022, Multicare Health Pharmacy Sdn. Bhd. ("Multicare Health Pharmacy"), a subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB"), which in turn is a wholly-owned subsidiary of the Company, had incorporated a 70% owned new subsidiary known as Multicare (NHL) Pharmacy Sdn. Bhd. with paid-up share capital of RM500,000 comprising 500,000 ordinary shares;
- (iv) On 8 February 2022, SunCity had acquired 60,000 ordinary shares, representing 60% equity interest in the share capital of Tanda Warisan Sdn. Bhd. for a total cash consideration of RM8,085,974 as disclosed in Note 20(f) to the financial statements;
- (v) On 15 February 2022, SunCity had subscribed for 42,000 non-cumulative redeemable preference shares ("NCRPS") in the share capital of Sunway Corporate Venture Capital I Sdn. Bhd. (formerly known as Sun Sea I Sdn. Bhd.) ("SCVCI"), a wholly-owned subsidiary of SHSB for a total cash consideration of RM420,000;
- (vi) On 18 February 2022, Sunway Artessa Sdn. Bhd. and Sunway Velocity Two Sdn. Bhd. had been reclassified from investments in joint ventures to investments in subsidiaries upon entering into Supplemental Letter Agreements with respective joint venturers as disclosed in Note 53(a)(i) to the financial statements;

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (e) During the financial year, the Group completed the following subscriptions, acquisitions, incorporations of companies, redemptions, dilutions of subsidiaries, reclassification from a subsidiary to a joint venture and reclassifications from joint ventures to subsidiaries: (contd.)
- (vii) On 7 April 2022, SHSB had acquired 12,000 ordinary shares, representing 2.4% equity interest in Multicare Health Pharmacy for a total cash consideration of RM2,354,971 as disclosed in Note 53(a)(ii) to the financial statements;
- (viii) On 8 April 2022, World Medicare Supplies Sdn. Bhd., a 80% owned subsidiary of SHSB, had incorporated a new wholly-owned subsidiary known as Sunway Multicare (Zhuhai) Trading Co. Ltd. with a registered capital of RMB1,000,000 (approximately RM635,500);
- (ix) On 1 June 2022, SHSB had subscribed for 1,080,000 ordinary shares in the share capital of Sunway Popbox Sdn. Bhd. for a total cash consideration of RM1,080,000;
- (x) On 7 July 2022, Sunway Velocity Two Sdn. Bhd., a 60% owned subsidiary of SunCity, had incorporated a new wholly-owned subsidiary known as Sunway VTwo Holdings Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
- (xi) On 22 July 2022, the Group had reclassified its investment in Orbit Capital (Malaysia) Sdn. Bhd. ("Orbit Capital"), a subsidiary of Sunway Corporate Venture Capital Sdn. Bhd. (formerly known as Sun SEA Capital Sdn. Bhd.) ("SCV"), which in turn is a subsidiary of SHSB from a subsidiary to a joint venture following the injection of RM50,000 by a joint venturer, comprising 50,000 ordinary shares, which represents 50% of the enlarged paid-up share capital of Orbit Capital as well as change of SCV's involvement in Orbit Capital as disclosed in Note 22(g)(iv) to the financial statements. The financial effects arising from the loss of control of Orbit Capital did not have any material effect to the financial statements of the Group as at 31 December 2022.
- (xii) On 26 July 2022, the Company had subscribed for 31,300 NCNCRPS in the share capital of SunCity for a total cash consideration of RM313,000,000;
- (xiii) On 27 July 2022, SHSB had disposed 38,500,001 ordinary shares, representing 100% equity interest in Sunway Pharma Sdn. Bhd. ("Sunway Pharma") to Multicare Health Pharmacy for a cash consideration of RM4,800,000. Subsequently, the effective interest of the Group in Sunway Pharma has been revised downwards from 98.8% to 76.4% following the change in equity interest in Multicare Health Pharmacy as disclosed in Note 53(a)(ii) to the financial statements;
- (xiv) On 19 August 2022, SunCity had incorporated a new wholly-owned subsidiary known as Sunway Sports Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares;
- (xv) On 26 August 2022, Sunway Winstar Sdn. Bhd., a 98.85% owned subsidiary of SHSB, had acquired 85,001 ordinary shares, representing 16.8% effective equity interest in Sunway United Star Sdn. Bhd. for a total cash consideration of RM434,072;
- (xvi) On 4 October 2022, SHSB had partially redeemed its 300,000,000 NCNCRPS held by the Company for a total cash consideration of RM300,000,000;
- (xvii) On 27 October 2022, Sunway MUSC Sdn. Bhd., a wholly-owned subsidiary of SunCity, had subscribed for 592,195 NCRPS in the share capital of SCVCI for a total cash consideration of RM5,921,950;
- (xviii) On 31 October 2022, Multicare Health Pharmacy had incorporated a 70% owned new subsidiary known as Multicare (Twins) Pharmacy Sdn. Bhd. with paid-up share capital of RM500,000 comprising 500,000 ordinary shares;
- (xix) On 3 November 2022, SCVCI had partially redeemed its 1,451,847 NCRPS held by SunCity for a total redemption price of RM14,518,470 out of its capital;

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(e) During the financial year, the Group completed the following subscriptions, acquisitions, incorporations of companies, redemptions, dilutions of subsidiaries, reclassification from a subsidiary to a joint venture and reclassifications from joint ventures to subsidiaries: (contd.)

(xx) On 11 November 2022, Daksina Harta Sdn. Bhd. had been reclassified from investment in a joint venture to investment in a subsidiary upon entering into Supplemental Letter Agreement with a joint venturer as disclosed in Note 53(a)(i) to the financial statements;

(xxi) On 29 December 2022, Multicare Health Pharmacy, had incorporated a 80% owned new subsidiary known as Multicare Pharmacy (FNS) Sdn. Bhd. with paid-up share capital of RM100 comprising 100 ordinary shares; and

(xxii) On 30 December 2022, SHSB had entered into a Supplementary Agreement to deviate the terms of the initial Sales and Purchase Agreement dated 21 May 2021 to revise the original acquisition stakes in Multicare Health Pharmacy Sdn. Bhd. and World Medicare Supplies Sdn. Bhd. as further disclosed in Note 53(a)(ii) to the financial statements.

(f) Acquisition of Tanda Warisan Sdn. Bhd. ("Tanda Warisan")

On 11 January 2022, SunCity had entered into a Share Sale Agreement to acquire 60,000 ordinary shares, representing 60% equity interest in Tanda Warisan for a total purchase consideration of RM8,085,974. The purchase consideration was completed and consequently Tanda Warisan became a subsidiary of the Group on 8 February 2022 upon the completion of the shares transferred.

The fair value and the carrying amounts of the identifiable assets and liabilities of Tanda Warisan as at the date of acquisition were as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Inventories	179,685	166,314
Receivables	143	143
Cash and bank balances	120	120
	179,948	166,577
Payables	166,444	166,444
Deferred tax liabilities	3,209	-
	169,653	166,444
Total fair value of identifiable net assets	10,295	
Less: Non-controlling interest	(4,118)	
Share of net assets of the Group	6,177	
Goodwill on acquisition	1,909	
Total cost of acquisition	8,086	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(f) Acquisition of Tanda Warisan Sdn. Bhd. ("Tanda Warisan") (contd.)

The effects of the acquisition on cash flows of the Group are as follows:

	RM'000
Total consideration for equity interest acquired	8,086
Less: Cash and cash equivalents of subsidiary acquired	(120)
Net cash outflow of the Group on acquisition	7,966

The revenue and profit or loss of Tanda Warisan for the financial year ended 31 December 2022 or since the date of acquisition did not have any material effect on the financial results of the Group.

(g) Deemed acquisition of Sunway Artessa Sdn. Bhd. ("Sunway Artessa")

On 18 February 2022, SunCity had entered into a Supplemental Letter Agreement ("SLA") with Huatland Development Sdn. Bhd., and Sunway Artessa, a joint venture of SunCity, to vary certain terms of the Subscription and Shareholders' Agreement dated 16 August 2017, which resulted in SunCity obtaining control of Sunway Artessa in accordance with MFRS 10. Consequently, Sunway Artessa became a subsidiary of SunCity.

The fair value and the carrying amounts of the identifiable assets and liabilities of Sunway Artessa as at the date of deemed acquisition were as follows:

	Fair value recognised on remeasurement RM'000	Carrying amount RM'000
Property, plant and equipment	1	1
Deferred tax assets	-	2,607
Contract assets	106,621	106,621
Inventories	222,353	105,011
Receivables	8,494	8,494
Cash and bank balances*	4,861	4,861
Tax recoverables	325	325
	342,655	227,920
Payables	192,074	192,074
Deferred tax liabilities	25,555	-
Contract liabilities	791	791
	218,420	192,865
Total fair value of identifiable net assets	124,235	
Less: Non-controlling interest	(55,906)	
Share of net assets of the Group	68,329	
Less: Carrying amount of previously held equity interest in investment in a joint venture as at date of deemed acquisition	(19,282)	
Gain arising from remeasurement of previously held equity interest in Sunway Artessa	49,047	

* The effect of joint venture becoming subsidiary on cash flows of the Group is a cash inflow of RM4,861,000 due to acquisition of cash and cash equivalents in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (g) Deemed acquisition of Sunway Artessa Sdn. Bhd. ("Sunway Artessa") (contd.)

Sunway Artessa has contributed a total revenue of RM163,470,000 and profit of RM35,849,000 in the 11 months to 31 December 2022 and if the acquisition had occurred on 1 January 2022, management estimated that revenue of Sunway Artessa would have been RM170,706,000 and profit for the financial year ended 31 December 2022 of Sunway Artessa would have been RM37,566,000.

- (h) Deemed acquisition of Sunway Velocity Two Sdn. Bhd. ("Sunway Velocity Two")

On 18 February 2022, SunCity had entered into SLA with Low Peng Kiat, CRSC Property Sdn. Bhd. and Sunway Velocity Two, a joint venture of SunCity, to vary certain terms of the Subscription and Shareholders' Agreement dated 10 February 2017, which resulted in SunCity obtaining control of Sunway Velocity Two in accordance with MFRS 10. Consequently, Sunway Velocity Two became a subsidiary of SunCity.

The fair value and the carrying amounts of the identifiable assets and liabilities of Sunway Velocity Two as at the date of deemed acquisition were as follows:

	Fair value recognised on remeasurement RM'000	Carrying amount RM'000
Contract assets	107,146	107,146
Inventories	534,023	277,721
Receivables	8,805	8,805
Cash and bank balances*	15,354	15,354
Tax recoverables	3,219	3,219
	668,547	412,245
Payables	386,092	386,092
Deferred tax liabilities	61,513	-
	447,605	386,092
Total fair value of identifiable net assets	220,942	
Less: Non-controlling interest	(88,498)	
Share of net assets of the Group	132,444	
Less: Carrying amount of previously held equity interest in investment in a joint venture as at date of deemed acquisition	(106,915)	
Gain arising from remeasurement of previously held equity interest in Sunway Velocity Two	25,529	

* The effect of joint venture becoming subsidiary on cash flows of the Group is a cash inflow of RM15,354,000 due to acquisition of cash and cash equivalents in the subsidiary.

Sunway Velocity Two has contributed a total revenue of RM386,370,000 and profit of RM50,105,000 in the 11 months to 31 December 2022 and if the acquisition had occurred on 1 January 2022, management estimated that revenue of Sunway Velocity Two would have been RM403,592,000 and profit for the financial year ended 31 December 2022 of Sunway Velocity Two would have been RM53,678,000.

- (i) Deemed acquisition of Daksina Harta Sdn. Bhd. ("Daksina Harta")

On 11 November 2022, SunwayMas Sdn. Bhd., a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd. ("SHSB") had entered into a SLA with Perkasa Bernas (M) Sdn. Bhd. and Daksina Harta, a joint venture of SHSB, to vary certain terms of the Shareholders' Agreement dated 26 October 2018, which resulted in SHSB obtaining control of Daksina Harta in accordance with MFRS 10. Consequently, Daksina Harta became a subsidiary of SHSB.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

- (i) Deemed acquisition of Daksina Harta Sdn. Bhd. ("Daksina Harta") (contd.)

The fair value and the carrying amounts of the identifiable assets and liabilities of Daksina Harta as at the date of deemed acquisition were as follows:

	Fair value recognised on remeasurement RM'000	Carrying amount RM'000
Property, plant and equipment	85	85
Contract assets	6,720	6,720
Inventories	119,540	121,394
Deferred tax assets	445	-
Receivables	1,146	1,146
Cash and bank balances*	62	62
	127,998	129,407
Payables	109,718	109,718
Borrowing	13,609	13,609
Hire purchase and lease liabilities	72	72
Contract liabilities	428	428
	123,827	123,827
Total fair value of identifiable net assets	4,171	
Less: Non-controlling interest	(8,868) [^]	
Share of net liabilities of the Group	(4,697)	
Less: Carrying amount of previously held equity interest in investment in a joint venture as at date of deemed acquisition	(3,697)	
Loss arising from remeasurement of previously held equity interest in Daksina Harta	(8,394)	

* The effect of joint venture becoming subsidiary on cash flows of the Group is a cash inflow of RM62,000 due to acquisition of cash and cash equivalents in the subsidiary.

[^] Included consolidation adjustments and preference shares issued to a non-controlling interest of RM12,000,000.

Daksina Harta has contributed a total revenue of RM3,412,000 and loss of RM1,267,000 in the 2 months to 31 December 2022 and if the acquisition had occurred on 1 January 2022, management estimated that revenue of Daksina Harta would have been RM6,598,000 and loss for the financial year ended 31 December 2022 of Daksina Harta would have been RM3,922,000.

- (j) The other winding up and strike off of subsidiaries and divestment of structured entity under the control of the Group did not have any material effect on the financial results and position of the Group.
- (k) Sensitivity analysis of quoted units in wholesale funds.

A change of 1% in funds' prices, assuming all other variables constant, at the end of the reporting period would result in the profit net of tax of the Company to be higher/(lower) by RM408,000 (2021: RM3,316,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(l) Summarised information of companies with non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. The non-controlling interests of the other companies are not material to the Group.

(i) Summarised statements of financial position

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad RM'000	Kenanga MoneyExtra Fund II RM'000	Sunway Velocity Two Sdn. Bhd. RM'000	Sunway Artessa Sdn. Bhd. RM'000	Total RM'000
At 31 December 2022							
Non-current assets	183,335	121,333	598,686	-	8	3,237	906,599
Current assets	302,757	12,659	1,637,362	579,471	646,558	314,082	3,492,889
Total assets	486,092	133,992	2,236,048	579,471	646,566	317,319	4,399,488
Non-current liabilities	39,669	-	311,925	-	250,914	91,362	693,870
Current liabilities	70,701	324	1,103,329	14,101	64,417	38,743	1,291,615
Total liabilities	110,370	324	1,415,254	14,101	315,331	130,105	1,985,485
Net assets	375,722	133,668	820,794	565,370	331,235*	187,214*	2,414,003
Equity attributable to owners of the parent	230,133	95,011	447,825	428,396	198,741	102,968	1,503,074
Non-controlling interests	145,589	38,657	372,969	136,974	132,494	84,246	910,929
Total equity	375,722	133,668	820,794	565,370	331,235*	187,214*	2,414,003

* Inclusive of fair value adjustments arising from business combinations.

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad RM'000	Kenanga Berhad Fund II RM'000	Total RM'000
At 31 December 2021					
Non-current assets	183,689	121,333	849,419	-	1,154,441
Current assets	306,173	11,480	1,014,796	847,155	2,179,604
Total assets	489,862	132,813	1,864,215	847,155	3,334,045
Non-current liabilities	62,000	-	155,433	-	217,433
Current liabilities	47,909	292	992,011	1,990	1,042,202
Total liabilities	109,909	292	1,147,444	1,990	1,259,635
Net assets	379,953	132,521	716,771	845,165	2,074,410
Equity attributable to owners of the parent	231,913	94,208	391,070	433,772	1,150,963
Non-controlling interests	148,040	38,313	325,701	411,393	923,447
Total equity	379,953	132,521	716,771	845,165	2,074,410

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(l) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad RM'000	Kenanga MoneyExtra Fund II RM'000	Sunway Velocity Two Sdn. Bhd. RM'000	Sunway Artessa Sdn. Bhd. RM'000	Total RM'000
At 31 December 2022							
Revenue	34,199	-	2,155,231	22,876	386,370	163,470	2,762,146
(Loss)/Profit for the year	(4,230)	1,147	138,739	22,417	50,105	35,849	244,027
Other comprehensive loss	-	-	(8,954)	-	-	-	(8,954)
Total comprehensive (loss)/income	(4,230)	1,147	129,785	22,417	50,105	35,849	235,073
(Loss)/Profit attributable to:							
- owners of the parent	(1,779)	803	77,314	11,229	30,063	19,717	137,347
- non-controlling interests	(2,451)	344	61,425	11,188	20,042	16,132	106,680
Total comprehensive (loss)/income attributable to:	(1,779)	803	72,429	11,229	30,063	19,717	132,462
- owners of the parent	(1,779)	803	72,429	11,229	30,063	19,717	132,462
- non-controlling interests	(2,451)	344	57,356	11,188	20,042	16,132	102,611

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(l) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad RM'000	Kenanga MoneyExtra Fund II RM'000	Total RM'000
At 31 December 2021					
Revenue	38,749	-	1,729,155	16,242	1,784,146
Profit for the year	22,031	847	110,750	15,938	149,566
Other comprehensive income	-	-	1,143	-	1,143
Total comprehensive income	22,031	847	111,893	15,938	150,709
Profit attributable to:					
- owners of the parent	13,925	593	65,738	10,959	91,215
- non-controlling interests	8,106	254	45,012	4,979	58,351
Total comprehensive income attributable to:					
- owners of the parent	13,925	593	66,362	10,959	91,839
- non-controlling interests	8,106	254	45,531	4,979	58,870

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

20. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(l) (contd.)

(iii) Summarised statements of cash flows

	Sunway PKNS Sdn. Bhd. Group RM'000	Sunway Semenyih Sdn. Bhd. RM'000	Sunway Construction Group Berhad RM'000	Kenanga MoneyExtra Fund II RM'000	Sunway Velocity Two Sdn. Bhd. RM'000	Sunway Artesa Sdn. Bhd. RM'000	Total RM'000
At 31 December 2022							
Net cash (used in)/generated from:							
- operating activities	(30,608)	1,528	(215,024)	97,267	114,757	84,882	52,802
- investing activities	44,899	(2,067)	423,770	(99,532)	(313,871)	(162,200)	(109,001)
- financing activities	(3,218)	-	142,690	(290,164)	239,306	87,026	175,640
Net increase/ (decrease) in cash and cash equivalents	11,073	(539)	351,436	(292,429)	40,192	9,708	119,441
Effects of foreign exchange rates changes	-	-	(4,348)	-	-	-	(4,348)
Cash and cash equivalents at beginning of the year	5,955	1,230	60,598	666,240	-	-	734,023
Cash and cash equivalents at end of the year	17,028	691	407,686	373,811	40,192	9,708	849,116
At 31 December 2021							
Net cash (used in)/generated from:							
- operating activities	(20,569)	801	238,710	14,753	-	-	233,695
- investing activities	(30,557)	(9,492)	(174,011)	100,785	-	-	(113,275)
- financing activities	(26,664)	-	(122,377)	360,109	-	-	211,068
Net (decrease)/ increase in cash and cash equivalents	(77,790)	(8,691)	(57,678)	475,647	-	-	331,488
Effects of foreign exchange rates changes	-	-	438	-	-	-	438
Cash and cash equivalents at beginning of the year	83,745	9,921	117,838	190,593	-	-	402,097
Cash and cash equivalents at end of the year	5,955	1,230	60,598	666,240	-	-	734,023

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

21. INVESTMENTS IN ASSOCIATES

	Group	
	2022 RM'000	2021 RM'000
Unquoted shares at cost	25,393	20,608
Quoted shares at cost	2,242,792	2,239,834
Perpetual note	340,000	340,000
Share of post-acquisition distributable reserves	319,741	322,066
Share of non-distributable reserves	27,655	31,138
Unrealised profit on transactions with associates	(92,754)	(89,269)
	2,862,827	2,864,377
Less: Accumulated impairment losses	(172,176)	(154,693)
	2,690,651	2,709,684
Dividends received	110,428	40,953
Market value of quoted shares	2,146,389	2,109,265

- (a) Investment in associate is stated at cost less accumulated impairment losses in the separate financial statements and it is accounted for using the equity method of accounting in the consolidated financial statements.
- (b) The financial year end of the associates are coterminous with those of the Group, except for Pyramid Bowl Sdn. Bhd., which has a financial year end of 31 March. Management account of this associate for the financial year ended 31 December 2022 has been used for the purpose of applying the equity method of accounting.
- (c) During the financial year, impairment losses of RM17,483,000 (2021: RM2,987,000) on investments in associates had been recognised within other expenses in the statements of profit or loss due to declining net asset value and declining business operations.
- (d) Details of the associates are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
(i) Associate of Sunway City (S'pore) Pte. Ltd.				
Sunway MAK International Private Limited #	India	Property development	26.35	26.35
(ii) Associate of Sunway Leisure Sdn. Bhd.				
Pyramid Bowl Sdn. Bhd. #	Malaysia	Bowling alley operator	40	40
(iii) Associates of Sunway Holdings Sdn. Bhd.				
Sungei Way-Saigon-Pilecon Engineering Company #	Vietnam	Dormant	42.3	42.3

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

- (d) Details of the associates are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
(iii) Associates of Sunway Holdings Sdn. Bhd. (contd.)				
Monumental Productions Sdn. Bhd. ("Monumental Productions")	Malaysia	Investing and acquiring social media channels and providing advertising consultancy services and other advisory services on social media channels	37.33	37.33
(iv) Associate of Fortuna Gembira Enterpris Sdn. Bhd.				
Gopeng Berhad # ("Gopeng")	Malaysia	Cultivation of oil palm, investment holding and property development	19.33	19.33
(v) Associate of Sunway Marketing Sdn. Bhd.				
Buildtrend B.S.G. (M) Sdn. Bhd. # (In liquidation)	Malaysia	Distribution of architectural building products and sanitary wares	30	30
(vi) Associate of Sunway Builders Sdn. Bhd.				
ISZL Consortium #	Unincorporated Abu Dhabi	Construction	13.64	13.64
(vii) Associate of Sunway REIT Holdings Sdn. Bhd.				
Sunway Real Estate Investment Trust ("Sunway REIT")	Malaysia	Investment in real estate	40.89	40.89
(viii) Associates of Sunway RE Capital Pte. Ltd.				
Elite Commercial REIT # ("Elite REIT")	Singapore	Investment in real estate	5.86	5.76
Elite Commercial REIT Management Pte. Ltd. # ("Elite REIT Manager")	Singapore	Managing and administering real estate investment trust	15	15

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

(d) Details of the associates are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
(ix) Associates of Sunway City Sdn. Bhd.				
Superseed II Fund, L.P. (Formerly known as Superseed II Ventures (Malaysia) Sdn. Bhd.) ^	Cayman Islands	Provision of fund management	44	44
Orbit Malaysia Fund 1, L.P. ("Orbit Malaysia Fund") ^^	Labuan	Provision of fund management	50	50
Sunray Property & Facility Management Sdn. Bhd. ^	Malaysia	Dormant	49	49

[#] Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms.

^{*} Despite the Group held 50% equity interest in Orbit Malaysia Fund, the Group does not have the substantive rights and power to direct the relevant activities nor it has any joint control on the arrangement. Thus, the Group has treated its interest in Orbit Malaysia Fund as an associate, considering its power to exercise significant influence.

[^] The results are consolidated based on the unaudited financial statements.

(e) Significant influence is presumed not to exist when an entity hold less than 20% of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds a nineteen point three three percent (19.33%) interest in Gopeng for which the Group has determined that it holds significant influence as the Group has two representatives on the Board of Directors of Gopeng, who are able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a five point eight six percent (5.86%) interest in Elite REIT for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Elite REIT, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a fifteen percent (15%) interest in Elite REIT Manager for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of Elite REIT Manager, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

The Group holds a thirteen point six four percent (13.64%) interest in ISZL Consortium for which the Group has determined that it holds significant influence as the Group has a representative on the Board of Directors of ISZL Consortium, who is able to participate in policy-making processes, including participation in decisions about dividends or other distributions.

Based on these, the Group considers that it has the power to exercise significant influence and has treated its interests in Gopeng, Elite REIT, Elite REIT Manager and ISZL Consortium as associates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

(f) The Group assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environments, taking into consideration the performance of CGUs. Management has considered the drop in market values of quoted shares in certain associates in the current financial year as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates.

The market values of the Group's investment in Sunway REIT, Gopeng and Elite REIT (collectively known as "Listed Associates") are below the carrying amounts of the Group's interest in the Listed Associates as at 31 December 2022. Nevertheless, the carrying amounts are supported by the net assets of these associates as well as future cash flows to be generated by these associates. Management has determined that the recoverable amounts of these investments in associates exceed their carrying amounts and with the relatively resilient fundamentals of these associates, the Group is of the view that the carrying amounts of the investments in associates are recoverable and should not be impacted by the fluctuation of the share price of these associates, therefore no further impairment loss is required at this juncture. The average pre-tax discount rate applied on the cash flow projections in determining the recoverable amounts is 6.2% (2021: 7.0% to 7.5%).

(g) During the financial year, the Group completed the following subscriptions, capital injection and acquisition of shares/units:

(i) On 23 March 2022, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, had subscribed for 16,875 redeemable preference shares ("RPS") in the share capital of Superseed II Fund, L.P. (formerly known as Superseed II Ventures (Malaysia) Sdn. Bhd.) for a total cash consideration of RM169,000. SunCity further subscribed for additional 27,143 RPS from 5 September 2022 to 13 October 2022 for a total cash consideration of RM271,000;

(ii) On 20 May 2022, Sunway RE Capital Pte. Ltd. ("SRC"), a wholly-owned subsidiary of SunCity, had received additional 808,487 units, amounting to GBP525,517 (equivalent to RM2,958,000) in Elite Commercial REIT by way of dividend-in-specie;

(iii) On 21 October 2022, SRC had subscribed for additional 150,000 ordinary shares in the share capital of Elite Commercial REIT Management Pte. Ltd. (the Manager for Elite Commercial REIT) for a total consideration of S\$150,000 (equivalent to RM502,000); and

(iv) On 29 November 2022, SunCity had injected RM3,843,000 into Orbit Malaysia Fund 1, L.P..

(h) The details of the Group's proportionate share of contingent liability in relation to a material litigation of Sunway REIT are disclosed in Note 49(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

21. INVESTMENTS IN ASSOCIATES (CONTD.)

(i) Summarised financial information in respect of each of the material associates of the Group is set out below. The summarised financial information represents the amounts in the financial statements of the associates and does not reflect the Group's proportionate share in those amounts.

(i) Summarised statements of financial position

	Sunway REIT		Elite REIT		Gopeng		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	8,687,576	8,750,686	2,454,922	2,832,821	228,477	231,110	11,370,975	11,814,617
Current assets	725,795	399,787	142,762	177,859	69,390	77,731	937,947	655,377
Total assets	9,413,371	9,150,473	2,597,684	3,010,680	297,867	308,841	12,308,922	12,469,994
Non-current liabilities	1,997,417	1,881,024	1,155,138	1,254,760	28,572	29,782	3,181,127	3,165,566
Current liabilities	1,887,976	1,804,239	119,672	124,493	2,989	1,859	2,010,637	1,930,591
Total liabilities	3,885,393	3,685,263	1,274,810	1,379,253	31,561	31,641	5,191,764	5,096,157
Net assets	5,527,978	5,465,210	1,322,874	1,631,427	266,306	277,200	7,117,158	7,373,837

(ii) Summarised statements of profit or loss and other comprehensive income

	Sunway REIT		Elite REIT		Gopeng		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	651,446	472,345	201,598	198,901	14,146	10,762	867,190	682,008
Profit/(Loss) before tax	332,875	126,740	(91,552)	(19,305)	(5,226)	(6,073)	236,097	101,362
Profit/(Loss) for the year	323,558	127,590	(99,681)	(27,152)	(4,842)	(6,073)	219,035	94,365
Total comprehensive income/(loss)	323,080	128,610	(184,464)	(13,955)	(4,842)	3,189	133,774	117,844

21. INVESTMENTS IN ASSOCIATES (CONTD.)

(i) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in associates of the Group

	Sunway REIT		Elite REIT		Gopeng		Total	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net assets at 1 January	5,465,210	5,438,793	1,631,427	1,195,650	277,200	279,390	7,373,837	6,913,833
Capital injection	-	-	15,033	542,485	-	-	15,033	542,485
Capital reduction	-	(86)	-	-	-	-	-	(86)
Comprehensive income/(loss) for the year	323,080	128,610	(184,464)	(13,955)	(4,842)	3,189	133,774	117,844
Dividend paid during the year	(240,422)	(82,195)	(139,122)	(92,753)	(6,052)	(5,379)	(385,596)	(180,327)
Distribution to perpetual note holders	(19,890)	(19,912)	-	-	-	-	(19,890)	(19,912)
Net assets at 31 December	5,527,978	5,465,210	1,322,874	1,631,427	266,306	277,200	7,117,158	7,373,837
Remeasurement gain*	352,960	352,960	-	-	-	-	352,960	352,960
Net assets after remeasurement gain at 31 December	5,880,938	5,818,170	1,322,874	1,631,427	266,306	277,200	7,470,118	7,726,797
Interest in associates as at year end	40.89%	40.89%	5.86%	5.76%	19.33%	19.33%	2,533,713	2,526,603
Elimination of gain on disposal of assets to an associate	(77,761)	(77,761)	-	-	-	-	(77,761)	(77,761)
Goodwill	524	524	9,955	9,955	-	-	10,479	10,479
Effects arising from perpetual note financing and related distribution	201,094	201,103	-	-	-	-	201,094	201,103
Impairment loss	-	-	(17,483)	-	(1,898)	(1,898)	(19,381)	(1,898)
Effect arising from change of shareholding	28,325	28,325	2,464	(5)	-	-	30,789	28,320
Carrying value of Group's interest in associates	2,556,898	2,531,241	72,456	103,920	49,579	51,685	2,678,933	2,686,846
Market value of quoted shares	2,044,430 [^]	1,974,416 [^]	70,763	102,873	31,196	31,976	2,146,389	2,109,265

* Effects of remeasurement gain on the retained interest of the Group in the associate as at the date of the former subsidiary becoming an associate.
[^] Excludes the Group's investment in perpetual note of the associate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares at cost	4,871,922	4,979,850*	800	800
Medium term notes	299,000	299,000	-	-
Equity contribution				
- in respect of land held for property development	5,898	5,898	-	-
Quasi-equity loans	1,312,681	846,916	-	-
Less: Allowance for impairment	(2,066)	(1,696)	-	-
	1,310,615	845,220	-	-
Share of post-acquisition reserves	217,512	30,146	-	-
Share of non-distributable reserves	70,312	66,287	-	-
Unrealised profit on transactions with joint ventures:				
- arising from construction projects	(15,304)	(13,238)	-	-
- arising from sale of asset to a joint venture	(87,338)	-	-	-
	6,672,617	6,213,163	800	800
Less: Accumulated impairment losses	(21,180)	(21,180)	-	-
	6,651,437	6,191,983	800	800
Dividends received	22,431	110,275	20,000	16,400

* Included the fair value of the remaining 84% equity interest in SHH Group arising from the partial divestment of 16% equity interest of RM3,956,348,000 as disclosed in Note 13 to the financial statements.

- (a) Investments in joint ventures are stated at cost in the separate financial statements. The Group recognises its interests in joint ventures as investments and accounts for that investments using the equity method.
- (b) The Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures, except for those disclosed in Note 52 to the financial statements.
- (c) Quasi-equity loans are unsecured, interest-free and the settlements are neither planned nor likely to occur in the foreseeable future.
- (d) Impairment for quasi-equity loans are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model as disclosed in Note 26(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(d) (contd.)

The reconciliation of movements in allowance for impairment accounts of quasi-equity loans is as follows:

	Group 12 months ECL	
	2022 RM'000	2021 RM'000
At beginning of financial year	1,696	848
Charge for the year	295	838
Exchange differences	75	10
At end of financial year	2,066	1,696

(e) Details of the joint ventures are as follows:

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Joint venture with Sunway Berhad				
Sunway REIT Management Sdn. Bhd. [^]	Malaysia	Managing and administering real estate investment trust	80	80
Joint ventures with Sunway City Sdn. Bhd. Group				
Sunway SPK Homes Sdn. Bhd.	Malaysia	Property development	50	50
Sunway Opus International Private Limited [#]	India	Property development	50	50
SunCity Medallion J.V.	Unincorporated Malaysia	Property development	50	50
Eastern Creek Stage 3 [#]	Unincorporated Australia	Property development	50	50
Tianjin Eco-City Sunway Property Development Co. Ltd. ("Tianjin Eco-City") [#]	China	Property development	60	60
Sunway Iskandar Sdn. Bhd. [^]	Malaysia	Property development	60	60
Sunway Iskandar Development Sdn. Bhd. [^]	Malaysia	Property development	60	60
Sunway Artessa Sdn. Bhd. ⁺	Malaysia	Property development	-	55 [^]
Sunway Velocity Two Sdn. Bhd. ⁺	Malaysia	Property development	-	60 [^]

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Joint ventures with Sunway City Sdn. Bhd. Group (contd.)				
Sunway Velocity Mall Sdn. Bhd. [^]	Malaysia	Letting, management of shopping complex and car park operator	59	59
Sunway Velocity Hotel Sdn. Bhd. [^]	Malaysia	Hotel operations	59	59
Sunway Pristine Laundry Sdn. Bhd. [^]	Malaysia	Provision of laundry services, rental and trading of laundry equipment and textiles including its ancillary and related business	70	70
Sunway Healthcare Holdings Sdn. Bhd. ^{^^}	Malaysia	Investment holding	84	84
Subsidiaries of Sunway Healthcare Holdings Sdn. Bhd.				
Paradigm Fairview Sdn. Bhd. [^]	Malaysia	Dormant	84	84
Platinum Greenway Sdn. Bhd. [^]	Malaysia	Dormant	84	84
Sunway Iskandar Medical Centre Sdn. Bhd. [^]	Malaysia	Dormant	84	84
Sunway Medical Centre (Singapore) Pte. Ltd. ^{^#}	Singapore	Provision of medical consultation services and facilities services	84	84
Sunway Medical Centre Ipoh Sdn. Bhd. [^]	Malaysia	Dormant	84	84
Sunway Medical Centre Kota Bharu Sdn. Bhd. [^]	Malaysia	Dormant	84	84
Sunway Medical Centre Sdn. Bhd. [^]	Malaysia	Operation of a medical centre	84	84
Sunway Specialist Centre Sdn. Bhd. [^]	Malaysia	Provision of outpatient care services including diagnosis, observation, consultation, treatment, surgery, intervention and rehabilitation services on a day care basis	84	84
SunMed Velocity Sdn. Bhd. [^]	Malaysia	Operation of a medical centre	84	84

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Subsidiaries of Sunway Healthcare Holdings Sdn. Bhd. (contd.)				
Sunway Senior Living Sdn. Bhd. [^]	Malaysia	Provision of a wide range of facilities and services for persons in need of senior living care and assistance	84	84
Alliance Parade Sdn. Bhd. [^]	Malaysia	Operation of a medical centre	84	84
Sunway Healthcare Treasury Sdn. Bhd. [^]	Malaysia	Provision of financial and treasury services to its related companies	84	84
SunMed@Home Sdn. Bhd. [^] (Transfer from Sunway Medical Centre Sdn. Bhd.)	Malaysia	Provision of nursing care services and operation of traditional and complementary medicine centre	84	-
Sunway TCM Sdn. Bhd. (Formerly known as SunMed Clinics Sdn. Bhd.) [^] (Transfer from Sunway Medical Centre Sdn. Bhd.)	Malaysia	Dormant	84	-
Subsidiaries of Sunway Medical Centre Sdn. Bhd.				
SunMed@Home Sdn. Bhd. [^] (Transfer to Sunway Healthcare Holdings Sdn. Bhd.)	Malaysia	Provision of nursing care services and operation of traditional and complementary medicine centre	-	84
Sunway TCM Sdn. Bhd. (Formerly known as SunMed Clinics Sdn. Bhd.) [^] (Transfer to Sunway Healthcare Holdings Sdn. Bhd.)	Malaysia	Dormant	-	84
Joint ventures with Sunway Holdings Sdn. Bhd. Group				
Hoi Hup Sunway J.V. Pte. Ltd. ^{##}	Singapore	Real estate development	30	30
Hoi Hup Sunway Property Pte. Ltd. ^{##}	Singapore	Real estate activities with own or leased property	30	30
Hoi Hup Sunway Miltonia Pte. Ltd. ^{##}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Pasir Ris Pte. Ltd. ^{##}	Singapore	Real estate developer	30	30

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Joint ventures with Sunway Holdings Sdn. Bhd. Group (contd.)				
Hoi Hup Sunway Tampines Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Yuan Ching Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Mount Sophia Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Sengkang Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Clementi Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Canberra Pte. Ltd. ^{#@}	Singapore	Real estate developer	35	35
Hoi Hup Sunway Tampines J.V. Pte. Ltd. ^{#@}	Singapore	Real estate developer	35	35
Hoi Hup Sunway Katong Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Hoi Hup Sunway Kent Ridge Pte. Ltd. ^{#@}	Singapore	Real estate developer	30	30
Daksina Harta Sdn. Bhd. ⁺	Malaysia	Property development and property investment	-	60
Joint venture of Blacktop Industries Sdn. Bhd.				
Blacktop Lanchang Sdn. Bhd.	Malaysia	Premix plant operator and marketing of bituminous premix	50	50
Joint venture of Sunway Marketing Sdn. Bhd.				
Sunway MKH Marketing Sdn. Bhd. [^]	Malaysia	Trading and supply of building materials	51	51
Joint venture of Sunway Resort Hotel Sdn. Bhd.				
Sunway Resort Clinic Sdn. Bhd.	Malaysia	Dormant	50	50
Joint venture of Sunway Corporate Venture Capital Sdn. Bhd. (Formerly known as Sun SEA Capital Sdn. Bhd.)				
Orbit Capital (Malaysia) Sdn. Bhd. ⁺⁺	Malaysia	Provision of fund management	50	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Joint ventures of Sunway Construction Sdn. Bhd.				
IJM Sunway Sdn. Bhd. ^{#^}	Malaysia	Investment holding	27.28	27.28
HL - Sunway JV Pte. Ltd. ^{#^}	Singapore	Manufacturing and sale of precast concrete components	26.73	26.73
GME - SE Joint Venture (STW) ^{#^}	Unincorporated Malaysia	Provision of mechanical and engineering works	27.28	27.28
Sunway Aneka Pertama Geotechnics (PH) Inc. ^{#^}	Philippines	Construction	23.46	23.46
Subsidiaries of Sunway Iskandar Sdn. Bhd.				
Sunway Marketplace Sdn. Bhd. [^]	Malaysia	Property development	60	60
Sunway Parkview Sdn. Bhd. [^]	Malaysia	Property development	60	60
Sunway Seafront Sdn. Bhd. [^]	Malaysia	Property development	60	60
Sunway Nursery and Landscape Sdn. Bhd. [^]	Malaysia	Nursery and landscaping	30	30
Sunway Big Box Sdn. Bhd. [^]	Malaysia	Letting, management of shopping complex and car park operator	60	60
Sunway BigBox Hotel Sdn. Bhd. [^]	Malaysia	Operation of business of hotel, restaurant, ballroom, bar and all other related activities in relation to the operation of a hotel	60	60
Sunway 42 (Iskandar Puteri) Sdn. Bhd. [^] (Formerly known as Sunway 42 Southern Sdn. Bhd.)	Malaysia	Conducting training courses and providing consultancy services	60	-
Subsidiaries of Sunway Iskandar Development Sdn. Bhd.				
Sunway Supercar Resort Sdn. Bhd. [^]	Malaysia	Multipurpose sport activities centre	60	60
Sunway Riverside Sdn. Bhd. [^]	Malaysia	Property development	60	-
Sunway FCZ Sdn. Bhd. [^]	Malaysia	Property development	60	-
Sunway Global Learning Sdn. Bhd. [^]	Malaysia	Property development	60	-
Sunway Leisure Park Sdn. Bhd. [^]	Malaysia	Property development	60	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(e) Details of the joint ventures are as follows: (contd.)

Name of joint ventures	Principal place of business/ Country of incorporation	Principal activities	Effective interest in equity	
			2022 %	2021 %
Associate of Sunway Iskandar Sdn. Bhd.				
Daiwa Sunway Development Sdn. Bhd. ^{#^}	Malaysia	Property development	18	18

Audited by firms of auditors other than BDO in Malaysia and BDO Member Firms.

@ These group of entities are collectively known as Hoi Hup Group and are considered joint ventures as the Group and the venturers have joint control and have rights to the net assets of the arrangements.

^ These entities are considered joint ventures as the Group and the venturers have joint control and have rights to the net assets of the arrangements.

* This relates to the remaining 84% equity interest held after the partial divestment of 16% equity interest as disclosed in Note 13 to the financial statements.

+ Became subsidiaries of the Group upon entering into Supplemental Letter Agreement with respective joint venturers as disclosed in Note 20 to the financial statements.

++ Became joint venture of the Group upon entering into a joint venture agreement with a joint venturer as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) Summarised information of joint ventures that are material to the Group is set out below. The summarised information represents the amounts in the financial statements of the joint ventures (translated to Ringgit Malaysia, where applicable, based on exchange rates as at the end of the reporting period) and does not reflect the Group's proportionate share in those amounts. The other joint ventures are not material to the Group.

(i) Summarised statements of financial position

At 31 December 2022	Hoi Hup Group	Sunway Iskandar Sdn. Bhd. Group	Tianjin Eco-City	Sunway Iskandar Development Sdn. Bhd. Group	Sunway REIT Management Sdn. Bhd. Group	Sunway Healthcare Holdings Sdn. Bhd. Group	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	23,533	1,385,597	231	724,212	589	1,988,509	4,122,671
Cash and cash equivalents	251,990	57,938	56,401	82	235	81,856	448,502
Other current assets	8,541,182	655,303	457,767	3,722	7,291	301,689	9,966,954
Current assets	8,793,172	713,241	514,168	3,804	7,526	383,545	10,415,456
Total assets	8,816,705	2,098,838	514,399	728,016	8,115	2,372,054	14,538,127
Current liabilities (excluding trade and other payables and provisions)	1,128	14,905	2,946	28	526	38,484	58,017
Trade and other payables and provisions	228,646	360,930	33,481	5,191	4,775	349,953	982,976
Total current liabilities	229,774	375,835	36,427	5,219	5,301	388,437	1,040,993
Non-current liabilities	8,352,850	1,219,985	-	541,698	92	31,713	10,146,338
Total liabilities	8,582,624	1,595,820	36,427	546,917	5,393	420,150	11,187,331
Non-controlling interests	-	966	-	-	-	27	993
Net assets	234,081	502,052	477,972	181,099	2,722	1,951,877	3,349,803

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**
22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(i) Summarised statements of financial position (contd.)

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. Group RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. Group RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Sunway Healthcare Holdings Sdn. Bhd. Group RM'000	Total RM'000
At 31 December 2021							
Non-current assets	40,886	1,298,887	253	655,137	678	1,569,967	3,565,808
Cash and cash equivalents	484,124	117,706	93,843	48	102	261,092	956,915
Other current assets	4,232,843	705,217	484,008	1,746	7,695	297,737	5,729,246
Current assets	4,716,967	822,923	577,851	1,794	7,797	558,829	6,686,161
Total assets	4,757,853	2,121,810	578,104	656,931	8,475	2,128,796	10,251,969
Current liabilities (excluding trade and other payables and provisions)	51,410	4,943	-	55	2,711	82,267	141,386
Trade and other payables and provisions	128,572	587,150	84,953	2,379	1,938	296,869	1,101,861
Total current liabilities	179,982	592,093	84,953	2,434	4,649	379,136	1,243,247
Non-current liabilities	4,485,361	993,789	-	471,361	267	303,792	6,254,570
Total liabilities	4,665,343	1,585,882	84,953	473,795	4,916	682,928	7,497,817
Non-controlling interests	-	1,016	-	-	-	-	1,016
Net assets	92,510	534,912	493,151	183,136	3,559	1,445,868	2,753,136

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Hoi Hup Group RM'000	Sunway Iskandar Sdn. Bhd. Group RM'000	Tianjin Eco-City RM'000	Sunway Iskandar Development Sdn. Bhd. Group RM'000	Sunway REIT Management Sdn. Bhd. RM'000	Sunway Healthcare Holdings Sdn. Bhd. Group RM'000	Total RM'000
At 31 December 2022							
Revenue	979,016	144,628	29,361	-	43,330	1,064,788	2,261,123
Depreciation and amortisation	-	(8,655)	(96)	(2)	(255)	(90,765)	(99,773)
Interest income	1,530	1,277	1,825	3	164	7,420	12,219
Interest expense	-	(28,458)	-	-	(21)	(15,136)	(43,615)
Profit/(Loss) before tax	163,696	(30,826)	311	(2,037)	31,768	245,320	408,232
Income tax expense	(26,016)	(2,084)	(79)	-	(7,605)	(34,786)	(70,570)
Profit/(Loss) after tax	137,680	(32,910)	232	(2,037)	24,163	210,534	337,662
Other comprehensive income/(loss)	9,660	-	(15,411)	-	-	-	(5,751)
Total comprehensive income/(loss)	147,340	(32,910)	(15,179)	(2,037)	24,163	210,534	331,911
Dividend received from joint venture during the year	1,731	-	-	-	20,000	-	21,731
Profit/(Loss) after tax attributable to: Joint venturers	137,680	(32,860)	232	(2,037)	24,163	210,507	337,685
Non-controlling interests	-	(50)	-	-	-	27	(23)
Total comprehensive income/(loss) attributable to: Joint venturers	147,340	(32,860)	(15,179)	(2,037)	24,163	210,507	331,934
Non-controlling interests	-	(50)	-	-	-	27	(23)
Total comprehensive income/(loss) attributable to: Non-controlling interests	147,340	(32,910)	(15,179)	(2,037)	24,163	210,534	331,911

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**
22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income (contd.)

	Sunway Hoi Hup Group		Sunway Iskandar Sdn. Bhd. Group		Sunway Iskandar Development Sdn. Bhd. Group		Sunway Tianjin Eco-City Sdn. Bhd. Group		Sunway Iskandar Development Sdn. Bhd. Group		Sunway Sunway REIT Management Sdn. Bhd. Group		Sunway Healthcare Holdings Sdn. Bhd. Group		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2021															
Revenue	33,752	136,510	35,637	-	-	36,631	815,114	1,057,644							
Depreciation and amortisation	-	(5,413)	(84)	(44)	(44)	(324)	(85,694)	(91,559)							
Interest income	25	7,043	3,175	-	-	116	12,939	23,298							
Interest expense	-	(28,418)	-	(6)	(6)	(30)	(22,476)	(50,930)							
Profit/(Loss) before tax	6,553	(39,593)	5,902	(1,305)	(1,305)	27,919	102,273	101,749							
Income tax expense	(406)	(690)	(1,458)	-	-	(6,716)	2,097	(7,173)							
Profit/(Loss) after tax	6,147	(40,283)	4,444	(1,305)	(1,305)	21,203	104,370	94,576							
Other comprehensive income	4,638	-	27,788	-	-	-	-	32,426							
Total comprehensive income/(loss)	10,785	(40,283)	32,232	(1,305)	(1,305)	21,203	104,370	127,002							
Dividend received from joint venture during the year	82,700	-	-	-	-	16,400	-	99,100							

Profit/(Loss) after tax attributable to:

Joint venturers	6,147	(40,247)	4,444	(1,305)	(1,305)	21,203	104,370	94,612
Non-controlling interests	-	(36)	-	-	-	-	-	(36)
	6,147	(40,283)	4,444	(1,305)	(1,305)	21,203	104,370	94,576

Total comprehensive income/(loss) attributable to:

Joint venturers	10,785	(40,247)	32,232	(1,305)	(1,305)	21,203	104,370	127,038
Non-controlling interests	-	(36)	-	-	-	-	-	(36)
	10,785	(40,283)	32,232	(1,305)	(1,305)	21,203	104,370	127,002

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

(f) (contd.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group

	Sunway Hoi Hup Group		Sunway Iskandar Sdn. Bhd. Group		Sunway Iskandar Development Sdn. Bhd. Group		Sunway Tianjin Eco-City Sdn. Bhd. Group		Sunway Iskandar Development Sdn. Bhd. Group		Sunway Sunway REIT Management Sdn. Bhd. Group		Sunway Healthcare Holdings Sdn. Bhd. Group		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2022															
Net assets at 1 January	92,510	534,912	493,151	183,136	183,136	3,559	1,445,868	2,753,136							
Capital injection	-	-	-	-	-	-	300,000	300,000							
Total comprehensive income/(loss) attributable to joint venturers	147,340	(32,860)	(15,179)	(2,037)	(2,037)	24,163	210,507	331,934							
Dividend paid during the year	(5,769)	-	-	-	-	(25,000)	(4,498)	(35,267)							
Net assets at 31 December	234,081	502,052	477,972	181,099	181,099	2,722	1,951,877	3,349,803							
Interest in joint ventures as at year end	71,498	301,231	286,783	108,659	108,659	2,178	1,639,577	2,409,926							
	30% - 35%	60%	60%	60%	60%	80%	84%								
Effect arising from change of shareholding	-	1,628	(483)	-	-	-	-	1,145							
Adjustment of net contribution by non-controlling interest	-	-	-	-	-	-	(248,222)	(248,222)							
Unrealised profit arising from construction projects to joint ventures	-	(8,212)	-	(273)	(273)	-	(1,912)	(10,397)							
Goodwill	-	8,556	-	-	-	-	-	8,556							
Remeasurement gain	-	-	-	-	-	108,370	2,741,819	2,850,189							
Unrealised profit arising from sale of assets to a joint venture	-	-	-	-	-	-	(87,338)	(87,338)							
Quasi-equity loan	1,146,466	-	-	-	-	-	-	1,146,466							
Allowance for impairment	(1,230)	-	-	-	-	-	-	(1,230)							
Carrying value of Group's interest in joint ventures	1,216,734	303,203	286,300	108,386	108,386	110,548	4,043,924	6,069,095							

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

(f) (contd.) (iii) Reconciliation of the summarised financial information presented above to the carrying amount of interest in joint ventures of the Group (contd.)

	Sunway Hoi Hup Group		Sunway Iskandar Sdn. Bhd. Group		Sunway Iskandar Development Sdn. Bhd. Group		Sunway Tianjin Eco-City		Sunway Iskandar Development Sdn. Bhd. Group		Sunway REIT Management Sdn. Bhd. Group		Sunway Healthcare Holdings Sdn. Bhd. Group		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 31 December 2021															
Net assets at 1 January	338,843	575,159	184,441	460,919	184,441	2,856	-	-	1,562,218	-	-	-	-	-	1,562,218
Capital injection	21,654	-	-	-	-	-	-	-	21,654	-	-	-	-	-	21,654
Effect of former subsidiaries becoming joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) attributable to joint ventures	10,785	(40,247)	(1,305)	32,232	(1,305)	21,203	-	-	22,668	-	-	-	-	-	22,668
Capital reduction	(3,106)	-	-	-	-	-	-	-	(3,106)	-	-	-	-	-	(3,106)
Dividend paid during the year	(275,666)	-	-	-	-	(20,500)	-	-	(296,166)	-	-	-	-	-	(296,166)
Net assets at 31 December	92,510	534,912	183,136	493,151	183,136	3,559	1,445,868	1,445,868	2,753,136	1,445,868	2,753,136	1,445,868	2,753,136	2,753,136	
Interest in joint ventures as at year end	30% - 35%	60%	60%	60%	60%	80%	84%	84%	84%	84%	84%	84%	84%	84%	84%
Effect arising from change of shareholding	28,949	320,947	109,882	295,891	109,882	2,847	1,214,529	1,214,529	1,973,045	1,214,529	1,973,045	1,214,529	1,973,045	1,973,045	
Unrealised profit arising from construction projects to joint ventures	-	1,628	-	(483)	-	-	-	-	1,145	-	-	-	-	-	1,145
Goodwill	-	(8,494)	(273)	-	(273)	-	-	-	(8,767)	-	-	-	-	-	(8,767)
Remeasurement gain	-	8,556	-	-	-	-	-	-	8,556	-	-	-	-	-	8,556
Quasi-equity loan	-	-	-	-	-	108,370	2,741,819	2,741,819	2,850,189	108,370	2,741,819	2,850,189	2,850,189	2,850,189	
Allowance for impairment	769,469	-	-	-	-	-	-	-	769,469	-	-	-	-	-	769,469
Carrying value of Group's interest in joint ventures	(1,155)	797,263	322,637	295,408	322,637	111,217	3,956,348	3,956,348	5,592,482	111,217	3,956,348	5,592,482	5,592,482	5,592,482	

22. INVESTMENTS IN JOINT VENTURES (CONTD.)

- (g) During the financial year, the Group completed the following incorporations of companies, reclassification from a subsidiary to a joint venture and reclassifications from joint ventures to subsidiaries:
- On 18 February 2022, Sunway Artessa Sdn. Bhd. and Sunway Velocity Two Sdn. Bhd. had been reclassified from investments in joint ventures to investments in subsidiaries upon entering into Supplemental Letter Agreements with respective joint venturers as disclosed in Note 20 to the financial statements;
 - On 23 February 2022, Sunway Iskandar Development Sdn. Bhd. had incorporated new wholly-owned subsidiaries known as Sunway FCZ Sdn. Bhd., Sunway Leisure Park Sdn. Bhd., Sunway Riverside Sdn. Bhd. and Sunway Global Learning Sdn. Bhd. with paid-up share capital of RM2 comprising 2 ordinary shares each;
 - On 17 May 2022, Sunway Iskandar Sdn. Bhd. had incorporated a new wholly-owned subsidiary known as Sunway 42 (Iskandar Puteri) Sdn. Bhd. (formerly known as Sunway 42 Southern Sdn. Bhd.) with paid-up share capital of RM10,000 comprising 10,000 ordinary shares;
 - On 22 July 2022, the Group had reclassified its investment in Orbit Capital (Malaysia) Sdn. Bhd. ("Orbit Capital"), a subsidiary of Sunway Corporate Venture Capital Sdn. Bhd. (formerly known as Sun SEA Capital Sdn. Bhd.) ("SCV"), which in turn is a wholly-owned subsidiary of SHSB, from a subsidiary to a joint venture following the injection of RM50,000 by a joint venturer, comprising 50,000 ordinary shares, which represents 50% of the enlarged paid-up share capital of Orbit Capital as well as change of SCV's involvement in Orbit Capital as disclosed in Note 20(e) (xi) to the financial statements. SCV had further subscribed 49,999 ordinary shares for a total cash consideration of RM49,999, in addition to the existing 1 ordinary share held by SCV, representing 50% equity interest in Orbit Capital; and
 - On 11 November 2022, Daksina Harta Sdn. Bhd. had been reclassified from investment in a joint venture to investment in a subsidiary upon entering into Supplemental Letter Agreement with a joint venturer as disclosed in Note 20 to the financial statements.

23. GOODWILL

	Group	
	2022 RM'000	2021 RM'000
Cost		
At beginning of financial year	402,317	352,236
Acquisition of a subsidiary (Note 20(f))	1,909	58,455
Loss of control of subsidiaries	-	(8,374)
At end of financial year	404,226	402,317
Accumulated impairment losses		
At beginning of financial year	(26,092)	(26,801)
Loss of control of subsidiaries	-	709
At end of financial year	(26,092)	(26,092)
Net carrying amount	378,134	376,225

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

23. GOODWILL (CONTD.)

Allocation of goodwill

Goodwill has been allocated to the cash-generating units ("CGU") of the Group, according to business segments as follows:

	2022 RM'000	2021 RM'000
Property investment*	185,301	185,301
Construction	70,437	70,437
Quarry	50,075	50,075
Property development	2,159	250
Others#	70,162	70,162
	378,134	376,225

* The property investment segment includes property investment, leisure and hospitality.
The others segment includes pharmaceutical.

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Key assumptions used in value-in-use calculations

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a three-year period, with a terminal value thereafter. The key assumptions used for value-in-use calculations for the major business segments are:

	Quarry %	Construction %	Property investment %	Others - pharmaceutical %
At 31 December 2022				
Gross margin	9.5	10.1	40.7	7.0
Growth rate	24.2	8.8	13.3	22.7
Discount rate	9.1	8.1	9.0	9.1
At 31 December 2021				
Gross margin	10.5	9.7	42.7	9.6
Growth rate	6.4	-	10.5	13.7
Discount rate	8.7	9.3	8.7	8.7

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

23. GOODWILL (CONTD.)

Key assumptions used in value-in-use calculations (contd.)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements or deficiency.

(ii) Growth rate

The growth rate used is based on anticipated growth rates of the respective CGU obtained from financial budgets approved by management. The financial budgets cover a period of three years with no terminal growth rate thereafter.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The Group has adopted the Expected Cash Flow approach in performing its impairment assessment of goodwill on consolidation during the current financial year. The cash flow projections used in determining the value-in-use calculations were probability weighted based on the following scenarios:

Scenario	Weighting	Assumptions
Base Case	75%	Based on the key assumptions above.
Best Case	10%	Revenue and cost of sales annual growth rates are forecasted to be 104% and 96% of base case respectively for a period of three (3) years.
Worst Case	15%	Revenue and cost of sales annual growth rates are forecasted to be 96% and 104% of base case respectively for a period of three (3) years.

The above key assumptions are determined based on management's assessment of future trends in the respective business segments. Any differences in expectations from the original estimates might impact the impairment losses amount in respect of the goodwill of the Group.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of each of the major business segments, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to materially exceed their recoverable amounts.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**
24. DEFERRED TAX

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	61,562	61,724
Recognised in profit or loss (Notes 12, 13)	(19,916)	(10,086)
Acquisition of a subsidiary	3,209	-
Effects of joint ventures becoming subsidiaries	86,623	-
Loss of control of subsidiaries (Note 13)	-	9,847
Exchange differences	73	77
At end of financial year	131,551	61,562
Presented after appropriate offsetting as follows:		
Deferred tax assets, net*	(53,873)	(47,405)
Deferred tax liabilities, net*	185,424	108,967
	131,551	61,562

* The amount of set-off between deferred tax assets and deferred tax liabilities was RM140,669,000 (2021: RM134,676,000) for the Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)**
24. DEFERRED TAX (CONTD.)

(a) The components and movements of deferred tax assets and liabilities before offsetting during the financial year are as follows:

Deferred tax assets of the Group:

	Unused tax losses and unabsorbed capital allowances RM'000	Property development cost and construction contracts RM'000	Provisions for liabilities RM'000	Other payables RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2021							
At 1 January 2021	(91,543)	(35,692)	(12,026)	(17,439)	(5,171)	(37,222)	(199,093)
Recognised in profit or loss	(2,094)	3,557	2,986	861	478	1,377	7,165
Loss of control of subsidiaries	-	9,847	-	-	-	-	9,847
At 31 December 2021	(93,637)	(22,288)	(9,040)	(16,578)	(4,693)	(35,845)	(182,081)
Recognised in profit or loss	17,926	(36,329)	7,666	(8,150)	3,562	5,886	(9,439)
Effects of joint ventures becoming subsidiaries	-	(2,569)	-	(1)	-	(482)	(3,052)
Exchange differences	-	-	30	-	-	-	30
At 31 December 2022	(75,711)	(61,186)	(1,344)	(24,729)	(1,131)	(30,441)	(194,542)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

24. DEFERRED TAX (CONTD.)

- (a) The components and movements of deferred tax assets and liabilities before offsetting during the financial year are as follows:(contd.)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 January 2021				
At 1 January 2021	136,102	114,310	10,405	260,817
Recognised in profit or loss	3,854	(21,049)	(56)	(17,251)
Exchange differences	-	-	77	77
At 31 December 2021	139,956	93,261	10,426	243,643
Recognised in profit or loss	(8,374)	(1,981)	(122)	(10,477)
Effects of joint ventures becoming subsidiaries	-	-	89,675	89,675
Acquisition of a subsidiary	-	-	3,209	3,209
Exchange differences	-	-	43	43
At 31 December 2022	131,582	91,280	103,231	326,093

- (b) Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unused tax losses				
- Expires by 31 December 2028	140,488	151,382	-	-
- Expires by 31 December 2029	58,848	59,827	-	-
- Expires by 31 December 2030	111,966	116,337	-	-
- Expires by 31 December 2031	76,001	82,027	-	-
- Expires by 31 December 2032	75,218	-	-	-
- No expiry period	12,210	12,949	-	-
Unabsorbed capital allowances	146,282	163,078	-	-
Unused investment tax allowances	315,808	317,685	-	-
Other deductible temporary differences	16,114	144,766	190	211
	952,935	1,048,051	190	211

The Group and the Company have assessed the likelihood of sufficient future profits available to recover the amounts of deductible temporary differences. Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES

	Group	
	2022 RM'000	2021 RM'000
Non-current		
Third parties	265,797	-
Hire purchase receivables	2,516	2,776
Loans and advances	189,073	203,457
	457,386	206,233
Less: Allowance for impairment	(3,386)	(2,035)
	454,000	204,198
Current		
Third parties	1,036,885	919,096
Retention sums	202,919	215,092
Finance lease receivables	-	1,075
Hire purchase receivables	1,793	1,550
Loans and advances	106,318	83,893
	1,347,915	1,220,706
Less: Allowance for impairment	(106,362)	(97,273)
	1,241,553	1,123,433
Total trade receivables	1,695,553	1,327,631

- (a) Included in trade receivables is the following amount due from a related party:

	Group	
	2022 RM'000	2021 RM'000
Active Equity Sdn. Bhd. Group	1,163	1,465

The amount due from a related party is unsecured, non-interest bearing and the credit period is generally for a period of 30 days to 90 days (2021: 30 days to 90 days), except for an amount of RM990,000 (2021: RM921,000), which bears interest at rates ranging from 7.28% to 8.00% (2021: 7.02% to 7.28%). The relationship with the related party is as disclosed in Note 50 to the financial statements.

- (b) Total trade receivables are classified as financial assets measured at amortised cost.
- (c) The Group's primary exposure to credit risk arises through its trading activities. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days to 120 days (2021: 30 days to 120 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing except as stated in Note 25(m) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

- (d) The repayment terms of finance lease receivables, hire purchase receivables and loan and advances are as follows:

	Group	
	2022 RM'000	2021 RM'000
Finance lease receivables:		
Less than one (1) year	-	1,087
Less: Unearned interest	-	(12)
	-	1,075
Representing finance lease receivables:		
Less than one (1) year	-	1,075
Hire purchase receivables:		
Less than one (1) year	2,005	1,759
One (1) to two (2) years	1,358	1,180
Two (2) to three (3) years	704	887
Three (3) to four (4) years	327	555
Four (4) to five (5) years	278	186
More than five (5) years	59	237
	4,731	4,804
Less: Unearned interest	(422)	(478)
	4,309	4,326
Representing hire purchase receivables:		
Less than one (1) year	1,793	1,550
One (1) to two (2) years	1,242	1,048
Two (2) to three (3) years	648	813
Three (3) to four (4) years	300	519
Four (4) to five (5) years	267	168
More than five (5) years	59	228
	4,309	4,326
Loans and advances:		
Less than one (1) year	106,318	83,893
One (1) to two (2) years	21,108	32,063
Two (2) to three (3) years	20,707	26,244
Three (3) to four (4) years	20,826	20,676
Four (4) to five (5) years	33,308	20,529
More than five (5) years	93,124	103,945
	295,391	287,350

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

- (e) The reconciliation of movements in the carrying amounts of finance lease receivables and hire purchase receivables is as follows:

	Group	
	2022 RM'000	2021 RM'000
Finance lease receivables:		
At beginning of financial year	1,075	1,087
Lease payments received	(905)	(12)
Others	(170)	-
At end of financial year	-	1,075
Hire purchase receivables:		
At beginning of financial year	4,326	4,107
Additions	1,500	2,247
Interest income	255	223
Lease payments received	(1,745)	(2,097)
Others	(27)	(154)
At end of financial year	4,309	4,326

- (f) The finance lease receivables and hire purchase receivables are mainly in relation to equipment and machinery that are leased to third parties. There are no variable lease income that are not included in the measurement of the finance lease receivables and hire purchase receivables.
- (g) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Impairment for trade receivables that contain significant financing component such as finance lease receivables, hire purchase receivables and loans and advances are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 26(d) to the financial statements.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment of the Group as identified in Note 3 to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

(g) (contd.)

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Group		
	Lifetime ECL		Total allowance RM'000
	Not credit impaired RM'000	Credit impaired RM'000	
At 31 December 2022			
At beginning of financial year	12,735	86,573	99,308
Charge for the year	2,091	19,104	21,195
Reversal of impairment losses	(2,568)	(3,368)	(5,936)
Written off	(162)	(4,871)	(5,033)
Exchange differences	(62)	(114)	(176)
Reclassification	1,392	(1,392)	-
Effects of joint ventures becoming subsidiaries	83	307	390
At end of financial year	13,509	96,239	109,748
At 31 December 2021			
At beginning of financial year	12,458	84,238	96,696
Charge for the year	5,243	30,267	35,510
Reversal of impairment losses	(4,985)	(6,721)	(11,706)
Written off	(1)	(4,753)	(4,754)
Exchange differences	(2)	46	44
Acquisition of subsidiaries	176	403	579
Loss of control of a subsidiary	(154)	(16,907)	(17,061)
At end of financial year	12,735	86,573	99,308

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

(g) (contd.)

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows: (contd.)

As at the end of each reporting period, the credit risks exposures relating to trade receivables of the Group are summarised in the table below:

	Group	
	2022 RM'000	2021 RM'000
Maximum exposure	1,695,553	1,327,631
Collateral obtained	(535,626)	(481,245)
Net exposure to credit risk	1,159,927	846,386

The above collaterals are letters of undertaking from financial institutions for properties sold, deposits received from customers and other collaterals for finance lease receivables.

(h) Aging analysis of the trade receivables is as follows:

Group	2022		
	Gross RM'000	Impaired RM'000	Total RM'000
Current	1,145,253	(6,573)	1,138,680
1 to 30 days past due	185,615	(770)	184,845
31 to 60 days past due	114,535	(466)	114,069
61 to 90 days past due	80,318	(529)	79,789
91 to 120 days past due	67,797	(829)	66,968
More than 120 days past due	211,783	(100,581)	111,202
	660,048	(103,175)	556,873
	1,805,301	(109,748)	1,695,553

Group	2021		
	Gross RM'000	Impaired RM'000	Total RM'000
Current	986,700	(1,261)	985,439
1 to 30 days past due	110,337	(339)	109,998
31 to 60 days past due	68,146	(165)	67,981
61 to 90 days past due	29,190	(106)	29,084
91 to 120 days past due	20,910	(405)	20,505
More than 120 days past due	211,656	(97,032)	114,624
	440,239	(98,047)	342,192
	1,426,939	(99,308)	1,327,631

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

- (i) The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's gross amount of total trade receivables at the end of the reporting period is as follows:

Group	2022		2021	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	1,443,651	79.97%	1,297,123	90.90%
Singapore	117,228	6.49%	73,447	5.15%
China	23,134	1.28%	17,858	1.25%
India	196,468	10.88%	13,907	0.97%
Australia	5,813	0.32%	4,892	0.34%
Thailand	5,564	0.31%	5,707	0.40%
Vietnam	566	0.03%	543	0.04%
Others	12,877	0.72%	13,462	0.94%
	1,805,301	100.00%	1,426,939	100.00%
By segment:				
Property development	151,706	8.40%	160,748	11.27%
Property investment	25,890	1.43%	23,308	1.63%
Construction	887,327	49.15%	558,360	39.13%
Trading and manufacturing	212,218	11.76%	204,047	14.30%
Quarry	141,028	7.81%	124,147	8.70%
Others	387,132	21.45%	356,329	24.97%
	1,805,301	100.00%	1,426,939	100.00%

- (j) Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are internationally dispersed, engage in a wide spectrum of activities, and sell in a variety of end markets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

25. TRADE RECEIVABLES (CONTD.)

- (k) The weighted average interest rates per annum of trade receivables that were effective as at end of each reporting period were as follows:

	Group	
	2022 %	2021 %
Trade receivables	3.79	-
Finance lease receivables	-	9.38
Hire purchase receivables	3.24	3.06
Loans and advances	5.92	5.72

- (l) The non-current third parties trade receivables of the Group are unsecured, bear interest at rates ranging from 3.50% to 4.50% (2021: Nil) per annum and not expected to be repayable within the next twelve month in cash and cash equivalents.
- (m) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	Group	
	2022 RM'000	2021 RM'000
Fixed rate	299,700	292,751
Variable rate	265,797	-

Sensitivity analysis for fixed rate trade receivables at the end of the reporting period is not presented as it is not affected by changes in interest rates.

For variable rate trade receivables, a change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be higher/ (lower) by RM505,000 (2021: Nil).

- (n) The carrying amounts of non-current hire purchase receivables and loans and advances approximate their fair values as their interest rates are priced at reasonable approximation of the market interest rates as at the end of the reporting period.
- (o) The fair values of hire purchase receivables and loans and advances are categorised as Level 3 in the fair value hierarchy, which are estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

26. OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Receivables	44,978	6,319	-	-
Current				
Deposits	91,701	273,326	105	105
Prepayments	139,768	69,639	512	1,220
Receivables	335,887	196,768	7,200	9,064
	567,356	539,733	7,817	10,389
Less: Allowance for impairment	(54,826)	(32,961)	-	-
	512,530	506,772	7,817	10,389
Total other receivables	557,508	513,091	7,817	10,389

(a) Included in other receivables is the following amount due from a related party:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Active Equity Sdn. Bhd. Group	273	384	59	51

The amount due from a related party is unsecured, non-interest bearing and the credit period is generally for a period of 30 days to 90 days (2021: 30 days to 90 days). The relationship with the related party is as disclosed in Note 50 to the financial statements.

(b) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.

(c) Included in deposits of the Group was a deposit paid for the acquisition of land held for property development of RM228,390,000 in the previous financial year.

(d) Impairment for trade receivables with significant financing component, quasi-equity loans, other receivables, amounts due from subsidiaries, associates and joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss ("ECL") model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

26. OTHER RECEIVABLES (CONTD.)

(d) (contd.)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment by quasi-equity loans, other receivables, amounts due from subsidiaries, associates and joint ventures is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for the quasi-equity loans, other receivables, amounts due from subsidiaries, associates and joint ventures. The Group has identified the Gross Domestic Product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise significant judgement in determining the probability of default by quasi-equity loans, other receivables, amounts due from subsidiaries, associates and joint ventures, appropriate forward looking information and significant increase in credit risk.

The reconciliation of movements in allowance for impairment accounts in other receivables is as follows:

	Group		Total RM'000
	12 months ECL RM'000	Lifetime ECL - Credit impaired RM'000	
At 31 December 2022			
At beginning of financial year	281	32,680	32,961
Charge for the year	663	25,537	26,200
Reversal of impairment losses	(54)	(4,076)	(4,130)
Written off	-	(175)	(175)
Exchange differences	(26)	(4)	(30)
At end of financial year	864	53,962	54,826
At 31 December 2021			
At beginning of financial year	295	32,319	32,614
Charge for the year	57	563	620
Reversal of impairment losses	(67)	(195)	(262)
Written off	-	(7)	(7)
Loss of control of subsidiaries	(4)	-	(4)
At end of financial year	281	32,680	32,961

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

26. OTHER RECEIVABLES (CONTD.)

- (e) The non-current other receivables of the Group are unsecured, bear interest at rates ranging from 1.87% to 5.11% (2021: 1.27% to 1.60%) per annum and not expected to be repayable within the next twelve months in cash and cash equivalents, except for an amount of RM38,501,000 (2021: Nil), which are non-interest bearing.
- (f) At the end of the reporting period, the interest rate profile of the other receivables was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Variable rate	6,477	6,319	-	-

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be higher/(lower) by RM12,000 (2021: RM12,000).

- (g) The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

27. DERIVATIVES

Group	Note	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
As at 31 December 2022				
Non-current				
Cross currency swap	(b)(iii)	41,875	2,086	-
Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group	(b)(iv)	-	-	(223,320)
Put option	(b)(v)	91,350	-	(51,278)
		133,225	2,086	(274,598)
Current				
Forward currency contracts	(b)(ii)	264,075	8	(8,584)
Cross currency swap	(b)(iii)	1,425,590	1,564	(26,654)
		1,689,665	1,572	(35,238)
Total derivatives		1,822,890	3,658	(309,836)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

27. DERIVATIVES (CONTD.)

Group	Note	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
As at 31 December 2021				
Non-current				
Forward currency contracts	(b)(ii)	696	-	(6)
Cross currency swap	(b)(iii)	989,152	7,540	(3,212)
Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group	(b)(iv)	-	-	(185,739)
		989,848	7,540	(188,957)
Current				
Interest rate swap	(b)(i)	61,016	-	(786)
Forward currency contracts	(b)(ii)	20,408	69	(114)
Cross currency swap	(b)(iii)	319,413	2,396	(4,202)
Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group	(b)(iv)	-	-	(38,625)
		400,837	2,465	(43,727)
Total derivatives		1,390,685	10,005	(232,684)

- (a) Derivatives are classified as at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss.

- (b) The Group entered into derivatives as follows:

- (i) Interest rate swap

An interest rate swap is a derivative in which one party exchanges a stream of interest payments for another party's stream of cash flow. In the previous financial year, the Group had entered into interest rate swap to exchange floating interest rate for fixed interest rate in order to minimise the exposure from fluctuation of interest rate. This interest rate swap received floating interest rate equaled to Singapore Swap Offer Rate ("SOR") per annum and paid fixed rate of interest of 1.49% and 1.58% per annum.

The fair values of the interest rate swap contracts were determined by using the mark to market values at the end of the reporting period and changes in the fair value was recognised in the profit or loss.

Interest rate swap contracts were valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques included swap models, using present value calculations. The models incorporate various inputs included the credit quality of counterparties and interest rate curves.

- (ii) Foreign currency forward contracts

The Group entered into foreign currency forward contracts to manage some of the transaction exposure. These contracts are entered into for periods consistent with currency transaction exposure and fair value changes exposure. The Group also uses foreign currency forward contracts as cash flow hedges to hedge the exposure to foreign currency exchange risks arising from forecasted expenditure.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

27. DERIVATIVES (CONTD.)

(b) The Group entered into derivatives as follows: (contd.)

(ii) Foreign currency forward contracts (contd.)

Forward currency contracts are valued using a valuation technique with market observable inputs. The derivatives arising from the forward currency contracts are stated at fair value using the prevailing market rate. The fair value changes are attributable to changes in foreign exchange spot and forward rate.

(iii) 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 into 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 profit or loss. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the profit or loss.

Cross currency swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

(iv) Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group

Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group represent the exit clauses attached to the SHA and SSA entered between the Company, SunCity, SHH and Greenwood following the partial divestment of 16% equity interest in SHH to Greenwood by SunCity as disclosed in Note 13 to the financial statements. The Company, SunCity, SHH and Greenwood had entered into a SHA to define the rights and obligations of the shareholders of SHH.

In accordance with the SHA, Greenwood has the right but not the obligation to initiate the Joint Sale or the Put Exit if the Proposed Initial Public Offer ("IPO") has not occurred on or before the eighth (8th) anniversary of Initial Closing or such extended period up to 180 days from the 8th anniversary of the Initial Closing ("Proposed IPO Delay Event"). Accordingly, Greenwood was granted a put option, whereby it shall have the right to require SunCity to acquire all its securities held for the Put Consideration. The "Put Consideration" shall be an amount equal to the amount that will enable Greenwood to achieve the USD IRR of no less than 18.5% upon completion of the Put Option.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

27. DERIVATIVES (CONTD.)

(b) The Group entered into derivatives as follows: (contd.)

(iv) Derivative liabilities on exit clauses in relation to the partial divestment of SHH Group (contd.)

Furthermore, SunCity has agreed to offer Greenwood a valuation adjustment in the event its targeted Ringgit Malaysia ("RM") denominated internal rate of return of 12.5% is not met by the Proposed IPO. This valuation adjustment will consist of SunCity either transferring additional SHH Shares to Greenwood on or prior to the completion of the Proposed IPO ("Proposed IPO Transfer Shares") or the proceeds obtained from the sale of its SHH Shares pursuant to the Proposed IPO ("Proposed IPO Cash Transfer") followed by a cash top up ("Proposed IPO Cash Top Up"), if required. As long as the Proposed IPO is completed by 31 January 2028, the Proposed IPO Transfer Shares and Proposed IPO Cash Transfer are collectively capped at 4.5% of the enlarged issued SHH Shares (on a fully converted basis) with the Proposed IPO Cash Top Up capped at United States Dollar ("USD") 10.0 million. If SHH does not complete the Proposed IPO by 31 January 2028, it will have an additional time period until the 8th anniversary of the Initial Closing, to complete the same. However, the Proposed IPO Transfer Shares, Proposed IPO Cash Transfer and Proposed IPO Cash Top Up ceilings will progressively increase during this period with the Proposed IPO Transfer Shares and Proposed IPO Cash Transfer collectively capped at 11.5% of the enlarged issued SHH Shares (on a fully converted basis) with the Proposed IPO Cash Top Up capped at USD50.0 million.

The Group has adopted the probability model in deriving the fair value of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group. The key assumptions used in estimating the fair value of the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group include the probabilities of occurrence of the Proposed IPO, probabilities of achieving the desired Proposed IPO valuation, timing of the occurrence of Proposed IPO and discount rate of 9.7% (2021: 9.0%), which require significant judgements and estimates made by management.

(v) Put option

Put option represents the derivative attached to the Put Option Agreement ("POA") entered between Sunway City Sdn. Bhd. ("Put Grantor"), Low Peng Kiat and CRSC Property Sdn. Bhd. (collectively, "Put Grantees"), in respect of Sunway Velocity Two Sdn. Bhd. ("Velocity Two"). Under the POA, for a period of 5 years from year 2025, the Put Grantor granted to Put Grantees the irrevocable right to require Put Grantor to purchase all of the Put Option Shares, representing 10% of the entire enlarged share capital of Velocity Two.

The fair value of the put option is the difference between the strike price and the underlying price. The Group has adopted the Binomial option pricing model in deriving the fair value of the put option. The key assumptions in estimating the fair value include expected underlying share price, expected exercise put price, risk-free interest rate, expected dividend yield and expected volatility.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

27. DERIVATIVES (CONTD.)

- (c) The maturity profile of the Group's derivative liabilities at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2022				
Derivatives - settled net	1,654,178	91,350	-	1,745,528
As at 31 December 2021				
Derivatives - settled net	181,570	455,653	-	637,223

- (d) Interest rate swap, foreign currency forward contracts and cross currency swap contracts are categorised as Level 2 in the fair value hierarchy while the derivative liabilities on exit clauses in relation to the partial divestment of SHH Group and put option are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the fair value hierarchy during the financial year.

- (e) The fair value reconciliation of derivatives measured at Level 3 is as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	(224,364)	-
Addition	(51,278)	(224,364)
Fair value adjustments	1,044	-
At end of financial year	(274,598)	(224,364)

28. ROCK RESERVES

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	5,082	5,342
Amortisation during the financial year	(263)	(260)
At end of financial year	4,819	5,082

Rock reserves are stated at cost less amortisation and any accumulated impairment losses. Rock reserves are amortised based on annual extraction rates over the estimated life of the reserves, with the maximum period of amortisation capped at 80 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

29. OTHER INVESTMENTS

Note	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Equity securities:				
- Quoted ordinary shares (a), (b)	292,416	278,297	-	-
- Unquoted ordinary shares (a), (c)	5,427	13,861	-	-
- Unquoted preference shares (a), (c)	6,229	4,930	-	-
Investments in funds (c)	49,997	50,936	-	-
Corporate memberships (d)	2,371	421	78	78
Loan stocks (d)	45,952	41,515	-	-
Unquoted corporate bonds (d)	-	476,621	-	-
	402,392	866,581	78	78
Current				
Unquoted corporate bonds (d)	535,540	98,778	-	-

- (a) The equity securities are classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*.

Except for equity securities which are not held for trading, for which the Group has irrevocably elected at initial recognition to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.

- (b) Fair value of quoted ordinary shares in Malaysia was determined by reference to the exchange quoted market prices at the close of the business on the reporting date. The fair value of quoted ordinary shares of the Group was categorised as Level 1 in the fair value hierarchy.

- (c) The investments in funds are classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. Unquoted ordinary shares, unquoted preference shares and investments in funds of the Group are categorised as Level 3 in the fair value hierarchy. Fair value of unquoted ordinary shares, unquoted preference shares and investments in funds of the Group are estimated based on adjusted transacted price. The movement in other investments categorised as Level 3 during the financial year includes net disposals amounted to RM8,074,000 (2021: net additions of RM3,623,000).

The key input to the valuation of the other investments is the adjusted transaction price paid. Significant increase/(decrease) in estimated adjusted transaction price paid in isolation would result in a significant higher/(lower) fair value of the other investments.

- (d) The corporate memberships, unquoted loan stocks and unquoted corporate bonds are classified as financial assets at fair value through profit or loss pursuant to MFRS 9 *Financial Instruments*. The fair value of corporate memberships, unquoted loan stocks and unquoted corporate bonds of the Group and of the Company is categorised as Level 2 in the fair value hierarchy. The fair value measurements of unquoted corporate bonds are based on indicative prices from an accredited bond pricing agency while the fair value measurements of corporate memberships and unquoted loan stocks are based on market prices of similar instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

29. OTHER INVESTMENTS (CONTD.)

- (e) Sensitivity analysis of quoted ordinary shares

A change of 5% in stock indices, assuming all other variables constant, at the end of the reporting period would result in the fair value reserve in equity of the Group to be higher/(lower) by RM14,621,000 (2021: RM13,915,000), arising as a result of higher/(lower) fair value gains on quoted equity securities classified at fair value through other comprehensive income.

- (f) There is no transfer between levels in the fair value hierarchy during the financial year.

30. BIOLOGICAL ASSETS

All items of biological assets are initially recorded at cost. Subsequent to recognition, biological assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Biological assets consist of animals in petting zoos operated by subsidiaries.

During the financial year, the Group made cash payments of RM374,000 to purchase biological assets.

Depreciation of biological assets is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated biological life, at an annual rate of 20%. Depreciation charge of biological assets recognised during the current financial year amounted to RM100,000 (2021: RM37,000).

A write off of biological assets of RM11,000 was made in the previous financial year.

31. CONTRACT ASSETS/LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Aggregate pre-contract costs incurred to date	2,152,093	877,508
Less: Impairment losses	(301)	(102)
Add: Attributable profits	816,254	303,079
	2,968,046	1,180,485
Less: Progress billings	(2,455,781)	(1,080,992)
	512,265	99,493
Represented by:		
Property development contracts:		
Contract assets	532,172	112,076
Contract liabilities	(19,907)	(12,583)
	512,265	99,493

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

31. CONTRACT ASSETS/LIABILITIES (CONTD.)

- (a) Property development contracts

Property development contracts represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

The Group's contract assets and contract liabilities relating to the sale of properties at the end of the reporting period are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of financial year	99,493	16,693
Revenue recognised during the year	1,142,105	601,504
Effects of joint ventures becoming subsidiaries	219,268	-
Progress billings during the year	(948,594)	(518,680)
Net impairment losses charged during the year	(7)	(24)
At end of financial year	512,265	99,493

- (b) The amount of RM7,258,000 (2021: RM18,328,000) recognised in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2022.

- (c) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2022 RM'000	2021 RM'000
Within 1 year	1,040,182	443,058
Between 1 and 4 years	1,407,490	424,003
	2,447,672	867,061

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

31. CONTRACT ASSETS/LIABILITIES (CONTD.)

- (d) Impairment for contract assets that does not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 25(g) to the financial statements.

The reconciliation of movements in allowance for impairment accounts in contract assets is as follows:

	Group Lifetime ECL	
	2022 RM'000	2021 RM'000
At beginning of financial year	102	78
Charge for the year	111	29
Reversal of impairment losses	(104)	(5)
Effects of joint ventures becoming subsidiaries	192	-
At the end of financial year	301	102

32. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances				
Cash at banks and on hand	654,550	639,644	10,685	8,182
Deposits with licensed banks	49,759	17,123	20	20
Short term funds				
- Money market funds	1,253,745	2,153,496	-	-
Total cash and bank balances	1,958,054	2,810,263	10,705	8,202

- (a) Included in cash at banks of the Group are amounts of RM104,618,000 (2021: RM197,996,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.
- (b) Deposits with licensed banks of the Group and of the Company had a weighted average effective maturity day of 52 days (2021: 205 days) and 183 days (2021: 181 days) respectively and were subject to fixed weighted average effective interest rates of 3.18% (2021: 2.13%) and 2.60% (2021: 1.60%) respectively.
- (c) Sensitivity analysis for fixed rate deposits with licensed banks at the end of the reporting period is not presented as they are not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

32. CASH AND BANK BALANCES (CONTD.)

- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	1,958,054	2,810,263	10,705	8,202
Bank overdrafts (Note 36)	(61,591)	(77,486)	-	-
Deposits with licensed banks with maturity of over 3 months	(1,042)	(535)	(20)	(20)
Total cash and cash equivalents	1,895,421	2,732,242	10,685	8,182

- (e) Cash and bank balances (excluding short term funds) are classified as financial assets measured at amortised cost.
- (f) No ECL is recognised arising from cash at banks and deposits with licensed banks because the probability of default by these financial institutions is negligible.
- (g) Short term funds of the Group represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk changes in value.
- (h) Short term funds of the Group are classified as financial assets at fair value through profit or loss and are categorised as Level 1 in the fair value hierarchy. Fair value of short term funds are determined by reference to the quoted prices at the close of business at the end of each reporting period.
- (i) Sensitivity analysis for market price risk

Short term funds of the Group are exposed to changes in market quoted prices. However, the volatility of these funds' prices is considered low, and hence, sensitivity analysis for equity price risk is not presented.
- (j) There is no transfer between levels in the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

33. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Current assets		
Interest bearing amounts	880,067	803,034
Non-interest bearing amounts	38,471	39,572
Total amounts due from subsidiaries	918,538	842,606
Less: Accumulated impairment losses	(94)	(85)
Total amounts due from subsidiaries	918,444	842,521
Current liabilities		
Non-interest bearing amounts	(5,160)	(8,400)
Total amounts due to subsidiaries	(5,160)	(8,400)

- (a) The amounts due from subsidiaries are unsecured, payable within the next twelve months in cash and cash equivalents and non-interest bearing except for interest bearing amounts, which bear interest at rates ranging from 1.75% to 6.00% (2021: 1.75% to 6.00%) per annum.
- (b) The amounts due to subsidiaries are unsecured, interest-free and payable within the next twelve months in cash and cash equivalents.
- (c) Interest bearing amounts due from subsidiaries are at fixed rates. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.
- (d) Impairment for amounts due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 26(d) to the financial statements.

The reconciliation of movements in allowance for impairment accounts of amounts due from subsidiaries is as follows:

	Company 12 months ECL	
	2022 RM'000	2021 RM'000
At beginning of financial year	85	2,479
Charge for the year	9	-
Reversals of impairment losses	-	(2,394)
At end of financial year	94	85

- (e) Amounts due from subsidiaries are classified as financial assets measured at amortised cost while amounts due to subsidiaries are classified as financial liabilities measured at amortised cost.
- (f) The maturity profile of amounts due to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

34. AMOUNTS DUE FROM/(TO) ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Amount due from an associate	492	1,380	-	-
Current				
Amounts due from associates	39,021	53,034	35	61
Less: Allowance for impairment	(21)	(2)	-	-
Total amounts due from associates	39,000	53,032	35	61
Current				
Amounts due to associates	(4,100)	(5,908)	(20)	(72)

- (a) The non-current amount due from an associate of the Group is unsecured, non-interest bearing and not expected to be repayable within the next twelve months in cash and cash equivalents. The carrying amount of non-current amount due from an associate approximates its fair value due to the insignificant impact of discounting.

The current amounts due from/(to) associates of the Group and of the Company are unsecured, non-interest bearing and repayable within the next twelve months in cash and cash equivalents.

- (b) Impairment for amounts due from associates are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 26(d) to the financial statements.
- (c) The reconciliation of movements in allowance for impairment accounts of amounts due from associates is as follows:

Group	12 months ECL	
	2022 RM'000	2021 RM'000
At beginning of financial year	2	132
Charge for the year	21	-
Reversals of impairment losses	(2)	(133)
Exchange differences	-	3
At end of financial year	21	2

- (d) Amounts due from associates are classified as financial assets measured at amortised cost while amounts due to associates are classified as financial liabilities measured at amortised cost.
- (e) The maturity profile of amounts due to associates of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

35. AMOUNTS DUE FROM/(TO) JOINT VENTURES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Amounts due from joint ventures	1,421,716	1,493,498	-	-
Less: Allowance for impairment	(824)	(1,048)	-	-
	1,420,892	1,492,450	-	-
Current				
Amounts due from joint ventures	227,602	853,495	3,199	2,992
Less: Allowance for impairment	(51,400)	(51,947)	-	-
	176,202	801,548	3,199	2,992
Total amounts due from joint ventures	1,597,094	2,293,998	3,199	2,992
Non-current				
Amounts due to joint ventures	(28,537)	(504)	-	-
Current				
Amounts due to joint ventures	(79,885)	(185,783)	(2)	(2)
Total amounts due to joint ventures	(108,422)	(186,287)	(2)	(2)

(a) Included in amounts due from joint ventures is an amount of RM1,487,456,000 (2021: RM2,117,615,000), which bears interest at rates ranging from 4.41% to 7.40% (2021: 3.15% to 6.50%) per annum. Of this amount, RM557,017,000 (2021: RM620,182,000) is secured by way of debentures over all the assets of the joint ventures.

Included in amounts due to joint ventures is an amount of RM57,072,000 (2021: RM24,314,000), which bears interest at rates ranging from 2.55% to 3.70% (2021: 1.75% to 3.85%) per annum.

The non-current amounts due from joint ventures are amounts, which are not expected to be repayable within the next twelve months in cash and cash equivalents, while the current amounts due from joint ventures are repayable within the next twelve months in cash and cash equivalents. The carrying amounts of non-current amounts due from joint ventures approximate their fair values as their interest rates are priced at reasonable approximation of the market interest rates as at the end of the reporting period.

(b) Interest bearing amounts due from/(to) joint ventures are at fixed rates. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

(c) Impairment for receivables from amounts due from joint ventures are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 26(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

35. AMOUNTS DUE FROM/(TO) JOINT VENTURES (CONTD.)

(d) The reconciliation of movements in allowance for impairment accounts of amounts due from joint ventures is as follows:

Group	12 months ECL	Lifetime ECL	Total
	RM'000	- Credit impaired RM'000	
At 31 December 2022			
At beginning of financial year	1,536	51,459	52,995
Charge for the year	16	-	16
Reversals of impairment losses	(785)	(2)	(787)
At end of financial year	767	51,457	52,224

At 31 December 2021

At beginning of financial year	2,153	51,459	53,612
Charge for the year	303	-	303
Reversals of impairment losses	(920)	-	(920)
At end of financial year	1,536	51,459	52,995

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the financial year end.

(e) The maturity profile of the Group's amounts due to joint ventures at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year	One to five years	Total
	RM'000	RM'000	
As at 31 December 2022			
Amounts due to joint ventures	80,341	28,537	108,878
As at 31 December 2021			
Amounts due to joint ventures	185,783	504	186,287

(f) Amounts due from joint ventures are classified as financial assets measured at amortised cost while amounts due to joint ventures are classified as financial liabilities measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
Current		
<u>Secured:</u>		
Bank overdrafts	61,591	77,486
Bankers' acceptances	3,271	955
Term loans	308,523	28,884
Revolving credits	1,692,634	782,815
Medium term notes	935,000	745,000
Receivable financing	20,000	-
	3,021,019	1,635,140
Less: Unamortised transaction costs	-	(264)
	3,021,019	1,634,876
<u>Unsecured:</u>		
Bankers' acceptances	156,318	168,457
Term loans	596,480	514,128
Revolving credits	673,190	604,190
Commercial papers	591,000	871,000
Medium term notes	245,000	235,000
Bills discounting	77,827	65,525
	2,339,815	2,458,300
	5,360,834	4,093,176
Non-current		
<u>Secured:</u>		
Term loans	862,346	870,070
Revolving credits	1,522	797,106
Medium term notes	1,835,000	1,800,000
	2,698,868	3,467,176
Less: Unamortised transaction costs	(1,604)	(2,126)
	2,697,264	3,465,050
<u>Unsecured:</u>		
Term loans	197,646	111,363
Medium term notes	200,000	445,000
	397,646	556,363
	3,094,910	4,021,413

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

	Note	Group	
		2022 RM'000	2021 RM'000
Total borrowings			
Bank overdrafts	32	61,591	77,486
Term loans	(i)(i)	1,964,995	1,524,445
Revolving credits	(i)(ii)	2,367,346	2,184,111
Medium term notes	(i)(iii)	3,215,000	3,225,000
Commercial papers		591,000	871,000
Bankers' acceptances		159,589	169,412
Bills discounting		77,827	65,525
Receivable financing		20,000	-
		8,457,348	8,116,979
Less: Unamortised transaction costs		(1,604)	(2,390)
		8,455,744	8,114,589

- (a) Borrowings of the Group amounting to RM3,982,004,000 (2021: RM4,656,905,000) were Islamic financing facilities.
- (b) The Company provides financial guarantees to financial institutions for credit facilities amounting to RM9,014,421,000 (2021: RM8,154,251,000) obtained by its subsidiaries.
- (c) The weighted average interest rates per annum of borrowings that were effective as at the end of the reporting period were as follows:

	Group	
	2022 %	2021 %
Bank overdrafts	4.93	5.05
Term loans	3.20	2.22
Revolving credits	2.80	2.61
Medium term notes	3.32	3.01
Commercial papers	2.63	2.40
Bankers' acceptances	2.61	2.24
Bills discounting	2.55	2.16
Receivable financing	3.42	-

- (d) The Group has entered into interest rate swap contracts to hedge the floating rate interest payable on some of its borrowings. The contracts entitle the Group to pay interest at fixed rates on notional principal amounts and oblige it to receive interest at floating rates on the same amounts. Under the swaps, the Group agrees with the other parties to exchange, the difference between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts.
- (e) The Group also entered into cross currency swap contracts to manage its exposure in foreign currency risk arising from foreign currency borrowings as well as to minimise the interest cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

- (f) At the end of the reporting period, the interest rate profile of the borrowings was:

	Group	
	2022 RM'000	2021 RM'000
Fixed rate	3,066,569	4,519,357
Variable rate	5,390,779	3,597,622

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM10,242,000 (2021: RM6,835,000).

- (g) The impact of cross currency swap contracts to the Group's borrowings are as follows:

	Group	
	2022 RM'000	2021 RM'000
Total borrowings	8,457,348	8,116,979
Add: Cross currency swap	23,004	(2,522)
Net borrowings after cross currency swap	8,480,352	8,114,457

At the end of the reporting period, the interest rate profile of the net borrowings after cross currency swap was:

	Group	
	2022 RM'000	2021 RM'000
Fixed rate	3,076,865	4,517,088
Variable rate	5,403,487	3,597,369

Sensitivity analysis for fixed rate borrowings at the end of the reporting period is not presented as it is not affected by changes in interest rates.

A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM10,267,000 (2021: RM6,835,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

- (h) The maturity profile of the Group's borrowings at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2022	5,479,154	2,767,939	621,741	8,868,834
As at 31 December 2021	4,130,983	4,125,084	-	8,256,067

- (i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of term loans, revolving credits and medium term notes of the Group:

- (i) The maturity of the term loans is as follows:

	Group	
	2022 RM'000	2021 RM'000
Less than one (1) year	905,003	543,012
One (1) to two (2) years	259,819	573,968
Two (2) to three (3) years	406,366	318,643
Three (3) to four (4) years	70,200	35,787
Four (4) to five (5) years	144,938	53,035
More than five (5) years	178,669	-
	1,964,995	1,524,445

- (ii) The maturity of the revolving credits is as follows:

	Group	
	2022 RM'000	2021 RM'000
Less than one (1) year	2,365,824	1,387,005
One (1) to two (2) years	-	797,106
Three (3) to four (4) years	1,522	-
	2,367,346	2,184,111

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

(i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of term loans, revolving credits and medium term notes of the Group: (contd.)

(iii) The maturity of the medium term notes is as follows:

	Group	
	2022 RM'000	2021 RM'000
Less than one (1) year	1,180,000	980,000
One (1) to two (2) years	1,005,000	1,020,000
Two (2) to three (3) years	315,000	675,000
Three (3) to four (4) years	215,000	425,000
Four (4) to five (5) years	150,000	125,000
More than five (5) years	350,000	-
	3,215,000	3,225,000

(j) The secured borrowings of the Group are secured by legal charges as follows:

	2022 RM'000	2021 RM'000
Property, plant and equipment	260,967	267,538
Investment properties	1,800,540	1,757,978
Investment properties under construction	210,276	157,252
Property development costs	1,796,802	1,298,002
Properties held for sale	52,529	52,529
	4,121,114	3,533,299

	Number of shares/units		At market value	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Shares in Sunway Construction Group Berhad	523,500	487,000	816,660	759,720
Units in Sunway REIT	1,142,690	1,122,690	1,668,327	1,582,993
Shares in IJM Corporation Berhad	161,000	143,500	257,600	218,120

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

(k) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group and the Company's statements of cash flows as cash flows from financing activities.

Group	1.1.2022 RM'000	Net cash flows RM'000	Non-cash changes			31.12.2022 RM'000
			Effects of joint ventures becoming subsidiaries RM'000	Foreign exchange movement RM'000	Hedging RM'000	
Term loans	1,524,445	434,401	13,609	(10,946)	3,486	1,964,995
Revolving credits	2,184,111	199,147	-	11,817	(27,729)	2,367,346
Commercial papers	871,000	(280,000)	-	-	-	591,000
Medium term notes	3,225,000	(10,000)	-	-	-	3,215,000
Other bank borrowings [#]	234,937	22,444	-	35	-	257,416
Total borrowings [#]	8,039,493	365,992	13,609	906	(24,243)	8,395,757

Group	1.1.2021 RM'000	Net cash flows RM'000	Non-cash changes			31.12.2021 RM'000
			Acquisition/ (Loss of control) of subsidiaries RM'000	Foreign exchange movement RM'000	Hedging RM'000	
Term loans	1,016,843	554,334	(97,394)	8,812	41,850	1,524,445
Revolving credits	2,217,493	314	(34,594)	898	-	2,184,111
Commercial papers	801,000	70,000	-	-	-	871,000
Medium term notes	2,585,000	640,000	-	-	-	3,225,000
Other bank borrowings [#]	239,393	25,775	(30,210)	(21)	-	234,937
Total borrowings [#]	6,859,729	1,290,423	(162,198)	9,689	41,850	8,039,493

[#] Other bank borrowings and total borrowings exclude bank overdrafts and unamortised transaction costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

36. BORROWINGS (CONTD.)

(k) Reconciliation of liabilities arising from financing activities (contd.)

Company	1.1.2021 RM'000	Cash flows RM'000	Non-cash changes RM'000	31.12.2021 RM'000
Commercial papers	81,000	(81,000)	-	-

(l) The carrying amounts of borrowings of the Group as at the end of the reporting period are reasonable approximations of fair values either due to the insignificant impact of discounting or that they are variable rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of borrowings of the Group as at the end of the reporting period that do not approximate their fair values are:

	Group Carrying amount RM'000	Fair value RM'000
At 31 December 2022		
Medium term notes	360,000	365,353
At 31 December 2021		
Revolving credits	734,429	747,701
Medium term notes	605,000	618,892

The fair value of borrowings obligations is categorised as Level 2 in the fair value hierarchy, which is estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

Fair values of the borrowings are estimated by discounting future contracted cash flows at the current market interest rate available to the Group for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

37. TRADE PAYABLES

	Group 2022 RM'000	2021 RM'000
Third parties	1,282,592	1,372,466
Amounts due to contractors and consultants	29,717	28,755
Total trade payables	1,312,309	1,401,221

(a) Included in trade payables is the following amount due to a related party:

	Group 2022 RM'000	2021 RM'000
Active Equity Sdn. Bhd. Group	532	1,178

The amount due to a related party is unsecured, non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 90 days (2021: 30 days to 90 days). The relationship with the above related party is as disclosed in Note 50 to the financial statements.

(b) The normal trade credit terms granted to the Group range from 30 days to 90 days (2021: 30 day to 90 days).

(c) The maturity profile of the Group's trade payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve months.

(d) Trade payables are classified as financial liabilities measured at amortised cost.

38. OTHER PAYABLES

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Non-current					
Payables	(b)	202,794	243,418	-	-
Refundable deposits		881	260	-	-
		203,675	243,678	-	-
Current					
Payables	(a), (c)	413,157	329,576	316	12,260
Amounts due to contractors and consultants		53,709	7,131	-	-
Accruals		548,465	476,462	47,729	42,382
Refundable deposits		62,398	45,417	-	-
Deferred income	(d), 41	16,424	17,768	-	-
		1,094,153	876,354	48,045	54,642
Total other payables		1,297,828	1,120,032	48,045	54,642

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

38. OTHER PAYABLES (CONTD.)

- (a) Included in current payables is the following amount due to a related party:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Active Equity Sdn. Bhd. Group	1,009	1,108	3	2

The amount due to a related party is unsecured, non-interest bearing and payable based on credit terms granted to the Group. The relationship with the above related party is as disclosed in Note 50 to the financial statements.

- (b) Included in non-current payables of the Group is a total amount of RM146,247,000 (2021: RM176,073,000) pertaining to land entitlement payments, which will be paid upon completion of projects. The amount consists of RM39,227,000 (2021: RM47,582,000) due to Bukit Lenang Development Sdn. Bhd. by Sunway City (JB) Sdn. Bhd., RM21,883,000 (2021: RM41,043,000) due to Perbadanan Kemajuan Negeri Selangor by Sunway PKNS Sdn. Bhd., Nil (2021: RM1,404,000) due to Bestgold Asia Sdn. Bhd. by Sunway Kiara Sdn. Bhd. and RM85,137,000 (2021: RM86,044,000) due to Meraki Land Sdn. Bhd. by Sunway Flora Sdn. Bhd. (formerly known as Sterling Paradise Sdn. Bhd.).
- (c) Included in current payables of the Group is an amount of RM115,785,000 (2021: RM115,785,000) due to Fawanis Sdn. Bhd., which is unsecured, non-interest bearing and term of repayment is in accordance to the progress billings of the launched project developments.
- (d) Deferred income of the Group represents deferred timeshare membership fees and rental received in advance.
- (e) The maturity profile of the Group's other payables (excluding deferred income) at the end of the reporting period based on contractual undiscounted repayment obligations is summarised in the table below:

	On demand or within one year	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 31 December 2022				
Other payables	1,077,729	203,675	-	1,281,404
At 31 December 2021				
Other payables	858,586	157,634	86,044	1,102,264
Company				
At 31 December 2022				
Other payables	48,045	-	-	48,045
At 31 December 2021				
Other payables	54,642	-	-	54,642

- (f) Other payables are classified as financial liabilities measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

38. OTHER PAYABLES (CONTD.)

- (g) Included in non-current payables is a shareholder loan advanced by non-controlling interests of a subsidiary amounted to RM41,611,000 (2021: Nil), which bears interest at variable rates ranging from 4.44% to 5.33% (2021: Nil) per annum. A change of 25 basis points in interest rates, assuming all other variables remained constant, at the end of the reporting period would result in the profit net of tax of the Group to be lower/(higher) by RM79,000 (2021: Nil).

- (h) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's statements of cash flows as cash flows from financing activities.

	Group	
	2022 RM'000	2021 RM'000
Advances from non-controlling interests of a subsidiary		
At beginning of financial year	-	-
Non-cash flow changes		
- Acquisition of a subsidiary	165,211	-
- Interest capitalised in land held for development costs	1,651	-
Cash flows		
- Repayment made	(133,243)	-
- Addition	7,992	-
At end of financial year	41,611	-

39. HIRE PURCHASE AND LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current liabilities				
Hire purchase with financial institutions	273	497	-	-
Lease liabilities	90,972	90,244	1,145	560
	91,245	90,741	1,145	560
Current liabilities				
Hire purchase with financial institutions	161	409	-	-
Lease liabilities	32,627	31,354	245	264
	32,788	31,763	245	264
Total hire purchase and lease liabilities	124,033	122,504	1,390	824

- (a) The hire purchase and lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, hire purchase and lease liabilities are measured by increasing the carrying amounts to reflect interest on the hire purchase and lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the hire purchase and lease liabilities are presented as property, plant and equipment as disclosed in Note 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

39. HIRE PURCHASE AND LEASE LIABILITIES (CONTD.)

(a) (contd.)

Variable lease payments, lease payments associated with short term leases and low value assets

Certain property leases of the Group as a lessee contain variable payment terms that are linked to sales or profits generated by the lessee in relation to the properties.

The Group recognises these variable lease payments when the condition that triggers those payments occur while lease payments associated with short term leases (leases with lease term of 12 months or less) and low value assets (leases for which the underlying asset is RM20,000 and below) are recognised on a straight-line basis over the lease terms. The variable lease payments and lease payments associated with short term leases and low value assets are recognised in profit or loss as rental expenses as disclosed in Note 9 to the financial statements.

In the previous financial year, variable lease payments arising from COVID-19 related rent concessions recognised was RM3,496,000.

Extension and termination options

Extension and termination options are included in certain property leases of the Group, which are negotiated for purposes such as providing operational flexibility to the Group. The extension and termination options are mainly exercisable by the Group and not by the respective lessors.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

During the current financial year, the Group and the Company had reassessed the lease terms of certain property leases in relation to the likelihood of exercising the extension options, taking into consideration the current relevant facts and circumstances. There were also modifications on the terms and conditions of certain property leases of the Group and of the Company during the current financial year.

The effects of the lease reassessments and modifications of the Group during the current financial year was a decrease in recognised lease liabilities of RM3,349,000 (2021: RM10,662,000) and right-of-use assets of RM2,368,000 (2021: RM6,580,000) as disclosed in Note 16 to the financial statements as well as a net gain on reassessments and modifications of leases recognised in profit or loss of RM981,000 (2021: RM4,082,000).

The effects of the lease reassessments and modifications of the Company during the current financial year was a corresponding increase in both lease liabilities and right-of-use assets of RM765,000 (2021: A decrease of RM8,943,000 and RM6,921,000 in lease liabilities and right-of-use assets respectively) as disclosed in Note 16 to the financial statements. In the previous financial year, the Company recognised a net gain on reassessments and modifications of leases in profit or loss of RM2,022,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

39. HIRE PURCHASE AND LEASE LIABILITIES (CONTD.)

(b) The maturity profile of the Group's and the Company's hire purchase and lease liabilities at the end of the reporting period is summarised in the table below:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Less than one (1) year	39,226	41,019	304	297
One (1) to two (2) years	31,929	31,678	304	297
Two (2) to three (3) years	20,589	24,579	323	297
Three (3) to four (4) years	17,181	13,721	322	-
Four (4) to five (5) years	16,513	11,166	322	-
More than five (5) years	22,709	30,197	-	-
Total undiscounted lease payments	148,147	152,360	1,575	891
Less: Future finance charges	(24,114)	(29,856)	(185)	(67)
Present value of lease liabilities	124,033	122,504	1,390	824
Analysis of present value of hire purchase and lease liabilities:				
Less than one (1) year	32,788	31,763	245	264
One (1) to two (2) years	28,567	26,953	255	274
Two (2) to three (3) years	17,258	21,120	284	286
Three (3) to four (4) years	15,081	11,471	297	-
Four (4) to five (5) years	15,549	9,482	309	-
More than five (5) years	14,790	21,715	-	-
	124,033	122,504	1,390	824
Less: Amount due within 12 months	(32,788)	(31,763)	(245)	(264)
Amount due after 12 months	91,245	90,741	1,145	560

(c) The hire purchase liabilities of the Group and of the Company attract interest at rates ranging from 2.33% to 4.70% (2021: 2.33% to 4.70%) per annum. Lease payments relating to other lease liabilities are discounted using the Group's and the Company's annual incremental borrowing rates of 3.86% to 5.98% (2021: 3.86% to 5.98%).

(d) Hire purchase and lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

39. HIRE PURCHASE AND LEASE LIABILITIES (CONTD.)

(e) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Hire purchase and lease liabilities				
At beginning of financial year	122,504	375,595	824	10,005
Cash flows				
- Payments of lease liabilities	(32,254)	(51,298)	(232)	(238)
- Payments of lease interests	(6,853)	(20,721)	(68)	(43)
Non-cash flows changes				
- Additions	37,060	21,253	33	-
- Effect of joint venture becoming subsidiary	72	-	-	-
- Acquisition of subsidiaries	-	12,213	-	-
- Loss of control of subsidiaries	-	(221,101)	-	-
- Reassessments and modifications of leases	(3,349)	(10,662)	765	(8,943)
- Rent concessions	-	(3,496)	-	-
- Interest expense	6,853	20,721	68	43
At end of financial year	124,033	122,504	1,390	824

(f) At the end of the financial year, the Group and the Company had total cash outflow for leases of RM92,750,000 (2021: RM105,831,000) and RM300,000 (2021: RM281,000) respectively.

40. PERPETUAL SUKUK

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Perpetual sukuk	600,000	600,000	600,000	600,000

In the previous financial year, the Company redeemed RM200,000,000 of Sukuk Wakalah pursuant to the RM5.0 billion unrated perpetual sukuk programme ("Perpetual Sukuk").

Included in the Perpetual Sukuk of the Group and of the Company is an amount of RM600,000,000 (2021: RM600,000,000) held through authorised depository institutions for Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, a major shareholder of the Group. The distributions paid in respect of these Perpetual Sukuk during the financial year were RM30,800,000 (2021: RM30,800,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

40. PERPETUAL SUKUK (CONTD.)

The sums raised from the Perpetual Sukuk, which are moneys borrowed from the subscribers are used as loans given to the subsidiaries in the course of the Company's business for the purpose of producing of gross income.

(i) This Perpetual Sukuk is a financial instrument, which has the following features:

- A perpetual non-call 5 years at profit rates of 4.40% to 5.50% (2021: 4.40% to 5.50%) per annum, payable semi-annually and are redeemable at the option of the Company subject to the terms of the Perpetual Sukuk;
- Direct, unsecured and subordinated obligations of the Company and shall rank pari passu without any preference amongst themselves and the Perpetual Sukuk will be issued with a perpetual tenure that does not have a fixed maturity date; and
- The Perpetual Sukuk is unrated and issued under the Shariah principle of Wakalah Bi Al-Istithmar and shall be transferable and tradable.

The Perpetual Sukuk is a fixed rate instrument. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

(ii) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statements of cash flows as cash flows from financing activities.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Perpetual sukuk				
At beginning of financial year	600,000	600,000	600,000	800,000
Cash flows				
- Redemption of perpetual sukuk	-	-	-	(202,980)
Non-cash flows changes				
- Loss on redemption of perpetual sukuk	-	-	-	2,980
At end of financial year	600,000	600,000	600,000	600,000

41. LONG TERM LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
Deferred income at end of financial year	16,938	19,318
To be recognised within 1 year (Note 38)	(16,424)	(17,768)
To be recognised after 1 year	514	1,550

Deferred income of the Group represents deferred timeshare membership fees, which are to be recognised over the membership period, and rental received in advance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

42. SHARE CAPITAL

Note	Group/Company		Amount	
	Number of ordinary shares		2022	2021
	2022	2021	2022	2021
	'000	'000	RM'000	RM'000
Ordinary shares				
Issued and fully paid with no par value				
At beginning of financial year	4,934,074	4,933,932	5,393,889	5,393,667
Issued during the financial year:				
- pursuant to exercise of warrants (c)	5 [^]	142 [^]	8 [^]	222 [^]
At end of financial year	4,934,079	4,934,074	5,393,897	5,393,889
Irredeemable convertible preference shares				
Issued and fully paid				
At beginning of financial year/				
At end of financial year	977,779	977,779	977,779	977,779
Total share capital	5,911,858	5,911,853	6,371,676	6,371,668

[^] Represents 5,292 warrants amounting to RM7,885 (2021: 142,437 warrants amounting to RM222,202).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(a) As at 31 December 2022, the Company held a total of 45,004,665 ordinary shares as treasury shares out of its total issued and paid up share capital of 4,934,079,496 ordinary shares. Such treasury shares are recorded at a carrying amount of RM74,335,169 (2021: RM74,335,169).

(b) The salient terms of the ICPS are as follows:

- (i) The tenure of the ICPS shall be 5 years commencing from and inclusive of the date of issuance of the ICPS ("Issue Date").
- (ii) The Company shall at the discretion of the Board pay an indicative preferential dividend on a semi-annual basis at the rate of 5.25% per annum calculated based on the Issue Price ("Preferential Dividend").
- (iii) No dividend shall be declared in respect of ordinary shares or other classes of preference shares of the Company until and unless the Company has declared the Preferential Dividend on the ICPS in the relevant financial year.

The Preferential Dividend shall not be payable to the ICPS holders if the Company has not declared such dividend and will also not be payable in the following circumstances:

- (a) upon the winding-up, liquidation or dissolution of the Company; and
- (b) upon the mandatory conversion of the ICPS to ordinary shares of the Company.

The ICPS shall not confer any further rights of participation in the profits of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

42. SHARE CAPITAL (CONTD.)

(b) The salient terms of the ICPS are as follows: (contd.)

(iv) The ICPS are unsecured, rank equally amongst themselves and shall rank in priority to any other class of ordinary shares in the capital of the Company but shall rank behind all secured and unsecured obligations of the Company, except that the ICPS:

- (a) will not be entitled to any rights, allotments and/or other distributions that may be declared by the Company for the ordinary shares; and
- (b) carries no right to vote at any general meeting of the Company save for the voting rights in respect of certain reserve matters.

(v) The ICPS are convertible in the following manner:

- (a) 50% of the outstanding ICPS shall be mandatorily converted into new ordinary shares of the Company on the market day immediately preceding the 4th anniversary of the Issue Date of the ICPS at the conversion price of the ICPS; and
- (b) the remaining balance of the ICPS shall be mandatorily converted into new ordinary shares of the Company on the maturity date of the ICPS at the conversion price of the ICPS.

The new ordinary shares issued pursuant to the mandatory conversion of the ICPS ("Conversion Shares") shall rank equally in all respects with the then existing ordinary shares of the Company, save and except that the holders of such Conversion Shares shall not be entitled to participate in any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is before the date of allotment and issuance of such Conversion Shares. The ICPS will mature in financial year 2025.

(c) On 4 October 2017, the Company issued 629,970,466 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 3 free warrants for every 10 ordinary shares held in the Company.

The warrants entitle the registered holder, at any time within a period of 7 years commencing on and including the date of issuance of the warrants and expiring on the close of business at 5.00 p.m. in Malaysia on the date immediately preceding the 7th anniversary of the date of issuance of the warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.86 each.

The exercise price of the warrant is subject to a fixed annual step-down of RM0.07 per year on each of the anniversary dates of the date of first issuance of the warrants. The exercise price, at any time during the tenure of the warrants, is further subjected to adjustments in accordance with the provisions of the Deed Poll for warrants dated 19 September 2017 ("Deed Poll") in the event of any alteration to the share capital of the Company.

On 11 November 2020, the Company issued 39,555,548 additional warrants arising from the adjustments to the exercise price and the number of outstanding warrants in accordance with the provisions of the Deed Poll dated 19 September 2017 constituting the warrants, pursuant to the renounceable rights issued of new ICPS undertaken by the Company.

During the financial year, the Company increased its issued and paid-up ordinary share capital by way of issuance of 5,292 ordinary shares pursuant to the exercise of Warrants 2017/2024 at an exercise price of RM1.49 per ordinary share for cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

42. SHARE CAPITAL (CONTD.)

(c) (contd.)

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. There were no other issues of shares during the financial year.

On 4 October 2022, the exercise price of the warrants had been adjusted from RM1.49 to RM1.42 each.

The number of Warrants 2017/2024 unexercised at the end of the reporting period comprises 669,365,864 warrants. The Warrants 2017/2024 will expire on 3 October 2024.

The Warrants were listed on Bursa Malaysia Securities Berhad on 6 October 2017.

43. EQUITY CONTRIBUTION FROM A JOINT VENTURE

The equity contribution represents the Group's share of right to use the land granted by the joint venture of the Group, namely Sunway Velocity Mall Sdn. Bhd. ("SVMSB"), for a project development pursuant to an agreement entered into between the shareholders of SVMSB. Accordingly, this right has been classified and presented as equity.

44. MERGER RESERVE

The negative merger reserve arose as a result of the excess of the consideration paid over the share capital and capital reserves of both Sunway City Sdn. Bhd. and Sunway Holdings Sdn. Bhd. as at the acquisition date. Further details on the merger exercise are disclosed in Note 46 to the financial statements.

45. RESERVES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-distributable reserves:					
Capital reserve	(a)	435,858	435,987	-	-
Statutory reserve	(b)	3,321	2,715	-	-
Revaluation reserve	(c)	7,322	7,322	-	-
Cash flow hedge reserve	(d)	(26,275)	(17,376)	-	-
Fair value reserve	(e)	7,297	(5,857)	-	-
Furniture, fittings and equipment reserve	(f)	23,089	11,845	-	-
Foreign currency translation reserve	(g)	234,670	204,845	-	-
Total non-distributable reserves		685,282	639,481	-	-
Distributable reserve:					
Retained earnings		6,698,518	6,233,951	920,686	1,109,659
		7,383,800	6,873,432	920,686	1,109,659

The movements in each category of reserves are disclosed in the statements of changes in equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

45. RESERVES (CONTD.)

The natures of each category of reserves are as follows:

(a) Capital reserve

Capital reserve represents the Group's accretion in the value of investments in subsidiaries arising from internal restructuring, which includes the redemption of cumulative redeemable preference shares.

(b) Statutory reserve

Statutory reserve represents the 10% of accumulated gains recognised in the People's Republic of China subsidiaries' income statement, which is not distributable.

According to the Articles of Association of the subsidiaries, when distributing net profit of each financial year, the subsidiaries shall set aside 10% of its after tax profits for the statutory common reserve fund (except where the fund has reached 50% of the subsidiaries' registered capital). These reserves cannot be used for purposes other than those for which they are created and are not distributable as cash dividends.

(c) Revaluation reserve

Revaluation reserve represents revaluation adjustment arising from transfer of owner-occupied property to investment property.

(d) Cash flow hedge reserve

Cash flow hedge reserve represents the net gains or losses, net of tax, on effective cash flow hedging instruments that will be recycled to the profit or loss when the hedged transaction affects profit or loss.

(e) Fair value reserve

The fair value reserve includes the cumulative net change in the fair value through other comprehensive income investment held until the investment is derecognised.

(f) Furniture, fittings and equipment reserve

In accordance with the Hotel Master Lease Agreement, the Group must set aside in the furniture, fittings and equipment ("FF&E") reserve during each financial year, an amount equivalent to 2.5% of the anticipated revenue. The FF&E reserve must be used and disbursed only in accordance with the agreed FF&E Plan.

(g) Foreign currency translation reserve

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

46. MERGER EXERCISE

On 18 August 2011, the Company acquired the entire businesses and undertakings, including all assets and liabilities of Sunway Holdings Sdn. Bhd. and Sunway City Sdn. Bhd. (collectively known as the "Merged Entities").

The consideration for the acquisition of the Merged Entities was satisfied via the payment of RM904.7 million cash and the issuance of 1,292.5 million new ordinary shares of RM1.00 each at an issue price of RM2.80 each together with 258.5 million free warrants.

The issuance of the new ordinary shares by the Company in the previous financial years to effect the above transaction has been reflected in the share capital of the Company as shown in Note 44 to the financial statements. As the Merged Entities were under common control before and after the merger, the Group and the Company applied the merger method of accounting. Accordingly, the consolidated financial statements have been accounted for as if the merger had occurred from the date when these entities were under common control.

47. OPERATING LEASE AGREEMENTS

The Group as lessor

The following table sets out a maturity analysis for operating lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2022 RM'000	2021 RM'000
Less than one (1) year	54,658	53,375
One (1) to two (2) years	56,104	53,033
Two (2) to three (3) years	55,764	55,361
Three (3) to four (4) years	57,973	55,299
Four (4) to five (5) years	57,732	57,767
More than five (5) years	-	57,624
	282,231	332,459

The Group entered into various non-cancellable operating lease agreements on properties with third parties. The commercial properties combined leases of land and buildings. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair values of the lease interest between the land and the buildings. Therefore, the Group evaluated based on terms and conditions of the arrangement, whether the land and the buildings were clearly operating leases or finance leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

48. CAPITAL COMMITMENTS

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	35,074	156,035
Approved but not contracted for property, plant and equipment and investment properties	57,228	86,467
	92,302	242,502

The Group's share of capital commitments in associates are as follows:

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	75,372	126,789
Approved but not contracted for property, plant and equipment and investment properties	136,338	82,642
	211,710	209,431

The Group's share of capital commitments in joint ventures are as follows:

	Group	
	2022 RM'000	2021 RM'000
Capital expenditure:		
Approved and contracted for property, plant and equipment and investment properties	553,325	892,914
Approved but not contracted for property, plant and equipment and investment properties	831,517	864,348
	1,384,842	1,757,262

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

49. CONTINGENT LIABILITIES

(a) Guarantees

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unsecured:				
Guarantees given to third parties in respect of trade and contracts	807,254	735,425	107,365	134,904
Guarantees given to financial institutions for credit facilities obtained by:				
- subsidiaries	-	-	9,014,421	8,154,251
- joint ventures	2,554,550	1,717,480	1,095,000	1,037,148
	3,361,804	2,452,905	10,216,786	9,326,303

The Group designates guarantees given to third parties in respect of trade and contracts as well as to financial institutions for credit facilities granted to subsidiaries and joint ventures as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of the reporting period, the Group assesses whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote.

(b) Claim

	Group	
	2022 RM'000	2021 RM'000
Claim by a third party	164,378	164,378

Claim by a third party represents proportionate share of contingent liability in relation to a material litigation of Sunway REIT, a 40.89% owned associate of the Group, with Metroplex Holdings Sdn. Bhd. ("Metroplex").

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

49. CONTINGENT LIABILITIES (CONTD.)

(b) Claim (contd.)

On 28 September 2015, Metroplex filed writ of summons and a statement of claim against Sunway REIT to claim, amongst others, damages for various chattels and movable items (e.g. furniture and office equipment, decorations, cutlery, kitchen equipment, bar equipment, concierge and reception tables, blinds and curtains), which were allegedly acquired and owned by Metroplex but not removed by Metroplex when Sunway REIT took possession of the hotel at Sunway Putra on 27 September 2011. Metroplex has in its statement of claim alleged that the various chattels and movable items were worth in excess of RM80 million as at September 2011.

On 3 November 2017, the High Court allowed Metroplex's claim on liability in which the damages to be awarded to Metroplex shall be assessed ("High Court's Decision").

Subsequently, Sunway REIT appealed to the Court of Appeal against the High Court's Decision on 6 November 2017. The Court of Appeal allowed Sunway REIT's appeal and the High Court's Decision was set aside on 22 January 2019 ("Court of Appeal's Decision").

On 20 February 2019, Metroplex filed motion for leave to appeal to the Federal Court against the Court of Appeal's Decision ("Motion"). The Motion was allowed on 25 November 2019. Subsequently, Metroplex filed notice of appeal to appeal against the Court of Appeal's Decision on 2 December 2019 ("Appeal"). The hearing for the Appeal was fixed on 31 March 2021.

On 31 March 2021, the Federal Court allowed Metroplex's appeal by setting aside the Court of Appeal's Decision, restoring the High Court's Decision and ordered the assessment of damages against Sunway REIT to proceed before the High Court. In Metroplex's claim, Metroplex is claiming for various chattels and movable items amounting to approximately RM402 million. However, Sunway REIT is strenuously objecting to the amount claimed as being overly excessive and has appointed subject matter experts to dispute the quantum of claim.

During the case management hearing on 24 June 2022, the original trial dates of 3 to 6 October 2022 for the assessment of damages have been vacated. The trial for the said assessment held on 4, 5, 6, 12 and 13 January 2023 has been concluded. Upon conclusion of the trial, the High Court judge directed Sunway REIT and Metroplex to appear before the High Court for oral submission on 9 May 2023. At this stage, the financial impact cannot be determined as the outcome of the said assessment proceedings and decision of the High Court are still pending.

In accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, the Group discloses the share of associate's contingent liabilities relating to this legal case as there is a present obligation that arose from past event, although the amount of obligation could not be measured with sufficient reliability at this juncture.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

49. CONTINGENT LIABILITIES (CONTD.)

(c) Material outstanding litigations

- (i) 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").

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. The Supreme Court had appointed the late Mr. H.L. Agarwal as the sole arbitrator.

The Statement of Claim was raised in respect of various claims and the total amount claimed is Rs.891.5 million (approximately equivalent to RM47.6 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.781.4 million (approximately equivalent to RM41.7 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.

On 11 January 2013, the arbitrator that presided over the case passed away and 75 hearings had been held.

SunCon was notified by its solicitors that an arbitration petition has been filed by Shristi on 7 January 2016 in the Supreme Court of India for the appointment of a new arbitrator. The Supreme Court of India by an order dated 5 January 2017 appointed Hon'ble Mr Justice Vikramajit Sen (a former Judge of the Supreme Court of India) as arbitrator. The first hearing before Mr. Justice Vikramajit Sen was held on 24 February 2017 and cross examination has been completed on 7 October 2017.

The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs.128.4 million (approximately equivalent to RM6.9 million).

SunCon has filed an appeal with the High Court of New Delhi in early July 2019 to set aside the arbitral award. Shristi has also filed an execution application against SunCon for enforcement of the arbitral award.

On 10 February 2020, the Honorable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with interest with the Registrar General of the High Court of Delhi. SunCon has deposited Rs.135.7 million (approximately equivalent to RM7.2 million) on 26 February 2020 and the amount has been fully provided in the accounts on prudence grounds. Subject to compliance of the said direction, the Honorable Court has stayed the Arbitral Award dated 9 April 2019.

The Claimant filed an application in the High Court of Delhi to permit the Claimant to withdraw the decretal amount deposited by SunCon on 4 March 2020 for release of Rs.67.3 million (approximately equivalent to RM3.6 million) from the deposited Award Amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

49. CONTINGENT LIABILITIES (CONTD.)

(c) Material outstanding litigations (contd.)

- (i) (contd.)

On 27 August 2020, the Court directed the release of Rs.67.2 million (approximately equivalent to RM3.7 million) on the basis of a corporate guarantee to be furnished by Srei Infrastructure Finance Ltd. The balance is to be released subject to furnishing of a bank guarantee. On 3 November 2020, the Court placed on record the corporate guarantee issued on 21 September 2020 and directed the registry to release the amount in terms of the Court order dated 27 August 2020. On 18 November 2020, Shristi withdrew their application for withdrawal without a bank guarantee and it has been dismissed accordingly.

Matter was adjourned a few times due to the COVID-19 pandemic and the next hearing is on 27 April 2023.

- (ii) PNSB Acmar Sdn. Bhd. ("Plaintiff") has on 14 November 2019 served a Writ of Summons and a Statement of Claim both dated 8 November 2019 on Prasarana Malaysia Berhad ("Prasarana") (1st Defendant) and Sunway Construction Sdn. Bhd. ("SunCon") (2nd Defendant).

The Plaintiff is claiming that all the construction works in relation to the project known as "Construction and Completion of Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia" ("Project") and the structures such as the Project's poles, bars, and LRT stations had trespassed and/or encroached into the Plaintiff's own development project area and has resulted in losses and damages towards the Plaintiff.

Prasarana is the owner of the Project and SunCon is the awarded Works Package Contractor for the contract known as "Contract No. Prasarana/GSC/CTT/2.06080/2017: Construction and Completion of Guideway, Stations Iconic Bridge, Park and Rides, Ancillary Buildings and other Associated Works for Package GS07-08 for Light Rail Transit 3 (LRT3) from Bandar Utama to Johan Setia" in relation to the Project.

The Plaintiff is claiming, amongst other, for the following:

- Special damages of RM711,367,434.46;
- The costs between the solicitor and client amounts to RM400,000.00;
- Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- Court's declarations, injunctions, orders and other reliefs that the Honourable Court deems fit and proper.

On the case management on 5 March 2020, the Court had directed SunCon to file the application to strike out the case by 19 March 2020. On 30 October 2020, the striking out application by Prasarana and SunCon is dismissed and matter is to proceed for full trial. On 9 December 2020, the Plaintiff filed an application for discovery against the Defendants. Based on decision published on 11 May 2021, the court has dismissed Plaintiff's application for discovery against SunCon. On 19 February 2021, SunCon filed applications to include Setia Utama LRT3 Sdn. Bhd. ("SULRT3") (formerly known as "MRCB George Kent Sdn. Bhd.") as co-defendant and third party to the suit.

On 31 May 2021, the Court has allowed PNSB's application to amend the Statement of Claim to RM643,851,825.01.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

49. CONTINGENT LIABILITIES (CONTD.)

(c) Material outstanding litigations (contd.)

(ii) (contd.)

On 21 July 2021, the Court has allowed SunCon's application for leave to issue Third Party Notice to SULRT3. The Court has further directed for SunCon to file and serve its Statement of Claim on SULRT3 within 14 days. On 28 July 2021, the Court has disallowed SunCon's application to include SULRT3 as co-defendant. On 27 January 2022, the Court allowed PNSB's request for extension of time for filing documents. On 4 April 2022, Prasarana, SunCon and SULRT3 had informed the Court that they had no objection to the Plaintiff's application to transfer the proceedings to Construction Court.

On 18 April 2022, the Court has granted order in terms for the Plaintiff's Application to transfer the proceedings to Construction Court with no order as to costs. Matter is currently fixed for case management on 16 May 2023.

The solicitors acting for SunCon, after taking into consideration the evidence available, a review of the Statement of Claim, documents with client and a review of the law, are of the considered opinion that the Plaintiff's claim for the sum of RM643,851,825.01 is likely to be dismissed.

50. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (i) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following significant transactions with related parties during the financial year:

	Company	
	2022 RM'000	2021 RM'000
Redemption of perpetual sukuk payable to structured entities under the control of the Company	-	(202,980)
Distribution paid to Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling in respect of Perpetual Sukuk (Note 40)	(30,800)	(30,800)
Management services fee paid/payable to a subsidiary	(8,254)	(5,897)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (ii) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the financial year:

Name of companies	Nature of transactions	Group	
		2022 RM'000	2021 RM'000
(a) Active Equity Sdn. Bhd. Group	Information systems products and consultancy fees	(10,038)	(11,369)
	Sales of financial and IT related services	1,107	1,174
	Rental of office equipment, motor vehicles and other related services	56	89
	Distribution paid by wholesale funds	(139)	(923)
(b) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd.)	Lease of Sunway Resort Hotel & Spa	(34,116)	(8,294)
	Lease of Sunway Putra Hotel	(7,757)	(9,690)
	Lease of Sunway Hotel Georgetown	(3,291)	(3,291)
	Lease of Sunway Plaza's ice rink	(1,622)	(392)
	Leasing/rental of properties in respect of:		
	Sunway Medical Center building	-	(25,643)
	Menara Sunway and accommodation for security staff	(6,991)	(7,505)
	Rental and management of car parks and related services	(34,522)	(17,034)
	Provision of property management and related services	5,133	4,225
	Sales of financial, human resources and IT related services	1,830	1,993
	Marketing, distribution and sale of construction related products and industrial products	548	2,230
	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	172,839	215,058
Provision of loyalty card points	1,237	1,309	
Management services	16,183	11,090	
Distribution income from perpetual note	11,757	11,756	
(c) Jef-San Enterprise Sdn. Bhd.	Distribution paid by wholesale funds	(327)	(1,891)
(d) Sunway Iskandar Sdn. Bhd. Group	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	37,143	34,268
	Management services	11,743	6,022
	Provision of property management services	1,642	1,337
(e) Sunway Velocity Two Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	-	114,208
	Provision of property management services	-	11,436

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (ii) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group had the following significant transactions with related parties during the financial year: (contd.)

Name of companies	Nature of transactions	Group	
		2022 RM'000	2021 RM'000
(f) Sunway Velocity Mall Sdn. Bhd.	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	66	14
	Corporate guarantee commission fee	1,666	1,436
(g) PEMANDU Associate Sdn. Bhd.	Transformation consultancy services	700	-
(h) GME - SE Joint Venture	Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	(14,217)	(39,834)
(i) Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling	Distribution paid in respect of Perpetual Sukuk (Note 40)	(30,800)	(30,800)

- (iii) The above parties are deemed related to the Group as follows:

- (a) Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Active Equity Sdn. Bhd. as well as Directors in several subsidiaries of Active Equity Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder of Active Equity Sdn. Bhd.. Sarena Cheah Yean Tih, Evan Cheah Yean Shin and Adrian Cheah Yean Sun are the children of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling.

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of the Company as well as Directors in several subsidiaries of the Company. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

- (b) The wholly-owned subsidiary of the Group, Sunway REIT Holdings Sdn. Bhd., is a major unit holder of Sunway REIT. Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng, Sarena Cheah Yean Tih, Evan Cheah Yean Shin, Adrian Cheah Yean Sun, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd., being major shareholders of the Company, also have deemed interests in Sunway REIT via Sunway REIT Holdings Sdn. Bhd..

Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng is the spouse of Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling.

- (c) Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling, Sarena Cheah Yean Tih and Evan Cheah Yean Shin are Directors and major shareholders of Jef-San Enterprise Sdn. Bhd.. Adrian Cheah Yean Sun is a major shareholder of Jef-San Enterprise Sdn. Bhd..

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Sarena Cheah Yean Tih are Directors and major shareholders of the Company as well as Directors in several subsidiaries of the Company. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Company and major shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

50. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

- (iii) The above parties are deemed related to the Group as follows: (contd.)

- (d) Sunway Iskandar Sdn. Bhd. and Sunway Velocity Mall Sdn. Bhd. are joint ventures of Sunway City Sdn. Bhd., a wholly-owned subsidiary of the Company. In the previous financial year, Sunway Velocity Two Sdn. Bhd. was a joint venture of Sunway City Sdn. Bhd..
- (e) GME - SE is a joint venture of Sunway Engineering Sdn. Bhd., a wholly-owned subsidiary of Sunway Construction Group Berhad, which in turn is a subsidiary of the Company.
- (f) Dato' Sri Idris Jala is an Independent Non-Executive Director of the Company. He is also the President and Chief Executive Officer as well as a substantial shareholder of PEMANDU Associates Sdn. Bhd..

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2022 and 2021 is disclosed in Notes 25, 26, 37 and 38 to the financial statements.

- (iv) Key management personnel are the persons who have authorities and responsibilities for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. This includes any Director, whether executive or otherwise, of the Group and the Company.

The remuneration of the Directors and other members of key management during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short term employee benefits	52,312	29,553	-	-
Post-employment benefits:				
- Defined contribution plan	8,610	4,681	-	-
	60,922	34,234	-	-

- (v) Included in the total key management personnel are:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Executive Directors remuneration (Note 11)	36,703	19,345	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(a) Subsidiaries of Sunway Berhad						
Sunway Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway City Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Services Sdn. Bhd.	Malaysia	Provision of management services	100	100	-	-
Sunway Real Estate (China) Ltd. [#] (60% held by Sunway City Sdn. Bhd. and 40% held by SunwayMas Sdn. Bhd.)	Hong Kong	Investment holding	100	100	-	-
Suncity Suncon Joint Venture (50% held by Sunway City Sdn. Bhd. and 50% held by Sunway Construction Sdn. Bhd.)	Unincorporated	Dormant	100	100	-	-
(b) Subsidiaries of Sunway Real Estate (China) Ltd.						
Sunway Guanghao Real Estate (Jiangyin) Co. Ltd. [#]	China	Property development	100	100	-	-
Zhuhai Sunway Consultancy Co., Ltd. [#]	China	Dormant	100	100	-	-
(c) Subsidiaries of Sunway Holdings Sdn. Bhd.						
Sunway Construction Group Berhad	Malaysia	Investment holding	54.56	54.56	45.44	45.44
Sunway Permai Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Transit System Sdn. Bhd.	Malaysia	Car park management and rental of advertising space	100	100	-	-
Sunway Serene Sdn. Bhd.	Malaysia	Property development	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Developments Pte. Ltd. [®]	Singapore	Other investment holding companies and general contractors (building construction including major upgrading works)	100	100	-	-
SunwayMas Sdn. Bhd.	Malaysia	Property and housing development, and investment holding	100	100	-	-
Sunway VCP Sdn. Bhd.	Malaysia	Marketing, manufacturing and sale of glazed vitrified clay pipes and other similar related clay products	100	100	-	-
Sunway Marketing Sdn. Bhd.	Malaysia	Marketing, distribution and sale of construction related products and industrial products, as well as trading in hoses and fittings and hose assembly	100	100	-	-
Sunway Marketing (S) Pte. Ltd. [®]	Singapore	Trading in hose and fittings, sales, rent, service of industrial equipment and spares as well as mechanical engineering works, sales, rent and service of heavy equipment and spares	100	100	-	-
Sunway Leasing Sdn. Bhd.	Malaysia	Provision of finance through leasing, hire purchase, money lending and share financing	100	100	-	-
Sunway Risk Management Sdn. Bhd.	Malaysia	General and life insurance agency providing insurance underwriting and consultancy services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Pasir Mas Holdings Sdn. Bhd.	Malaysia	Trading in petroleum products and related services	100	100	-	-
Sunway Management Sdn. Bhd.	Malaysia	Share registration and secretarial services	100	100	-	-
Sunway Holdings (Vietnam) Sdn. Bhd.#	Malaysia	Investment holding	100	100	-	-
Shahawan (M) Sdn. Bhd.#	Malaysia	Property investment	100	100	-	-
Sunway HR Shared Services Sdn. Bhd.	Malaysia	Provision of human resources services	100	100	-	-
Sunway Shared Services Sdn. Bhd.	Malaysia	Provision of information technology services	100	100	-	-
Sunway Ventures Sdn. Bhd.	Malaysia	Provision of management and advisory services	100	100	-	-
Sunway Quantum Sdn. Bhd.	Malaysia	Provision of information technology services	100	100	-	-
Sunway Juarasama Sdn. Bhd.#	Malaysia	Property investment and property dealing	100	100	-	-
Sunway Quarry Industries Sdn. Bhd.	Malaysia	Manufacturing and supplying of premix, quarry operations and to carry out contract works for civil projects	100	100	-	-
Sunway iLabs Accelerator Sdn. Bhd.	Malaysia	Investment holding and provision of training services	100	100	-	-
Sunway Spun Pile (M) Sdn. Bhd.	Malaysia	To carry on business of manufacturing and marketing of pretensioned high strength concrete piles, pretensioned concrete poles and other precast concrete products	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Leadership Centre Sdn. Bhd.	Malaysia	Providing training services, training venue and other related activities to the Group	100	100	-	-
Sunway Paving Solutions Sdn. Bhd.	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks and euro tiles, undertake contracts for paving works and the hiring of heavy machineries	100	100	-	-
Sunway Quarry (Kuala Kangsar) Sdn. Bhd.	Malaysia	To sell or otherwise deal in stones, aggregates, premix and other construction related products	100	100	-	-
Sunway Elite Sdn. Bhd.	Malaysia	To coordinate and provide administration of employees' health care benefits and insurance services	100	100	-	-
Sunway SCF Sdn. Bhd.	Malaysia	Provision of finance through factoring services	100	100	-	-
Fortuna Gembira Enterpris Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Twinnors (Malaysia) Sdn. Bhd.#	Malaysia	Quarry concession holder	60	60	40	40
Sunway Corporate Venture Capital Sdn. Bhd. (Formerly known as Sun SEA Capital Sdn. Bhd.)	Malaysia	Provision of fund management	100	100	-	-
Sunway Quarry Industries (Melaka) Sdn. Bhd.#	Malaysia	Granite quarrying	100	100	-	-
Sunway Captive Insurance Ltd.#	Malaysia	To carry on business as a captive insurer	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Sunway Quarry Industries (Caribbean) Limited [#]	Trinidad and Tobago	Dormant	100	100	-	-
Myanmar Sungei Way Holdings Limited [^] (In Liquidation)	Myanmar	Dormant	99.90	99.90	0.10	0.10
Sunway Global Limited [®]	Hong Kong	Investment holding and provision of management services	98.99	98.99	1.01	1.01
Sunway Winstar Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	98.85	98.85	1.15	1.15
Sunway PopBox Sdn. Bhd.	Malaysia	Business of electronic parcel locker operator and service provider	60	60	40	40
Sunway Brands Sdn. Bhd.	Malaysia	To apply for, purchase, acquire, sell, manage or license intellectual property and intellectual property rights	100	100	-	-
Sunway Pharma Sdn. Bhd. (Transfer to Multicare Health Pharmacy Sdn. Bhd.)	Malaysia	Retailing of pharmaceutical, healthcare and personal care products	-	100	-	-
Sunway Money Sdn. Bhd.	Malaysia	Provision of remittance and money services	100	100	-	-
Bidara Cahaya Resources Sdn. Bhd.	Malaysia	Investment properties	100	100	-	-
Sunway Paving Solutions (Sabah) Sdn. Bhd.	Malaysia	Manufacturing and marketing of concrete pavers, hollow concrete blocks, cement bricks and eurotiles	100	100	-	-
Credit Bureau Malaysia Sdn. Bhd.	Malaysia	Provisions of credit reference services, credit rating and such others services related to a credit bureau	51	51	49	49

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
Blacktop Industries Sdn. Bhd.	Malaysia	Quarry and premix plant operators for the production and marketing of aggregates and bituminous premix, concrete plant operations for the production, marketing of ready-mixed concrete, roadwork contractors, property development, production of cement bricks, pavers and renting of mobile equipment	100	100	-	-
Prestamin Sdn. Bhd.	Malaysia	Trading and distribution of health products and food supplements	100	100	-	-
Aptstar Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Dolomite Granite Quarry Sdn. Bhd.	Malaysia	Quarrying and mining	100	100	-	-
Sunway Corporate Venture Capital I Sdn. Bhd. (Formerly known as Sun Sea I Sdn. Bhd.)	Malaysia	Management of investments and provision of consultancy services	100	100	-	-
Sunway XFarms Sdn. Bhd.	Malaysia	Provision of urban farm project management and services, trading of farming products and provision of auxiliary and its related services	100	100	-	-
Sunway Innovation Sdn. Bhd.	Malaysia	Management services and investment holding	100	100	-	-
Multicare Health Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	78.80	96.40	21.20	3.60
Bnature Health Sdn. Bhd.	Malaysia	Trading and distribution of health products and food supplements; and general merchants	66.67	66.67	33.33	33.33

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(c) Subsidiaries of Sunway Holdings Sdn. Bhd. (contd.)						
World Medicare Supplies Sdn. Bhd.	Malaysia	Trading of pharmaceutical products, trading of physiotherapy and occupational therapy service	80	100	20	-
(d) Subsidiaries of Multicare Health Pharmacy Sdn. Bhd.						
Sunway Pharma Sdn. Bhd. (Transfer from Sunway Holdings Sdn. Bhd.)	Malaysia	Retailing of pharmaceutical, healthcare and personal care products	78.80	-	21.20	-
Ann-Care Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	31.52	38.56	68.48	61.44
LKP Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
Multicare (KS) Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
Multicare (LX) Pharmacy Sdn. Bhd.	Malaysia	Trading and retailing of healthcare products	55.16	67.48	44.84	32.52
Multicare (PJ17) Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical medicines, equipments and others	78.80	96.40	21.20	3.60
Multicare (YMS) Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
Multicare KD Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	78.80	96.40	21.20	3.60
Multicare Palm Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	63.04	77.12	36.96	22.88
Multicare Pharmacy (Bahau) Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	31.52	38.56	68.48	61.44
Multicare Pharmacy (L&L) Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	31.52	38.56	68.48	61.44
Multicare Pharmacy (Mantin) Sdn. Bhd.	Malaysia	Trading of pharmaceutical medicines, equipments and others	47.28	57.84	52.72	42.16

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(d) Subsidiaries of Multicare Health Pharmacy Sdn. Bhd. (contd.)						
Multicare Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	78.80	96.40	21.20	3.60
Multicare Wellness Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical medicines, equipments and others	31.52	38.56	68.48	61.44
Twinscare Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
WKF Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical medicines, equipments and others	40.19	49.16	59.81	50.84
Parkcity Resources Sdn. Bhd. (Struck off on 7 April 2022 and did not have material effect)	Malaysia	Dormant	-	96.40	-	3.60
Multicare (NHL) Pharmacy Sdn. Bhd.	Malaysia	Trading and retailing of healthcare products	55.16	-	44.84	-
Multicare Pharmacy (FNS) Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	63.04	-	36.96	-
Multicare (Twins) Pharmacy Sdn. Bhd.	Malaysia	Stores specialised in retail sale of pharmaceuticals, medical and orthopaedic goods	55.16	-	44.84	-
(e) Subsidiary of World Medicare Supplies Sdn. Bhd.						
Sunway Multicare (Zhuhai) Trading Co., Ltd.	Malaysia	Trading of pharmaceutical products	80	-	20	-
(f) Subsidiaries of Multicare Pharmacy Sdn. Bhd.						
CSF Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(f) Subsidiaries of Multicare Pharmacy Sdn. Bhd. (contd.)						
HCY Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	78.80	96.40	21.20	3.60
Jonhtks Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical medicines, equipments and others	40.19	49.16	59.81	50.84
LSP Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
Multicare (Banting) Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	40.19	49.16	59.81	50.84
WYJ Pharmacy Sdn. Bhd.	Malaysia	Trading of pharmaceutical products	78.80	96.40	21.20	3.60
(g) Subsidiary of Sunway Corporate Venture Capital Sdn. Bhd. (Formerly known as Sun SEA Capital Sdn. Bhd.)						
Orbit Capital (Malaysia) Sdn. Bhd.**	Malaysia	Provision of fund management	-	100	-	-
(h) Subsidiaries of Blacktop Industries Sdn. Bhd.						
Can Technical Services Sdn. Bhd.*	Malaysia	Trading of spare parts for premix plant	50	50	50	50
TKM Sdn. Bhd.*	Malaysia	Provision of management and administrative services and to undertake management of business of all descriptions	49	49	51	51
(i) Subsidiary of Sunway Developments Pte. Ltd.						
Sunway Land Pte. Ltd.®	Singapore	Real estate developers and building contractor	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(j) Subsidiary of Sunway Leasing Sdn. Bhd.						
SWL Nominees (Tempatan) Sdn. Bhd.	Malaysia	Provision of shares nominee services	100	100	-	-
(k) Subsidiary of Sunway Construction Group Berhad						
Sunway Construction Sdn. Bhd.	Malaysia	Turnkey, construction related design and build, civil engineering, building works and transportation agents	54.56	54.56	45.44	45.44
(l) Subsidiaries of Sunway Construction Sdn. Bhd.						
Sunway Innopave Sdn. Bhd.	Malaysia	Dormant	54.56	54.56	45.44	45.44
Sunway Machinery Sdn. Bhd.	Malaysia	Renting of machinery and site equipment, undertaking of sub-contract work and transportation agent	54.56	54.56	45.44	45.44
Sunway Engineering Sdn. Bhd.	Malaysia	Provision of mechanical, engineering works and solar photovoltaic investment and related activities	54.56	54.56	45.44	45.44
Sunway Industrial Products Sdn. Bhd.	Malaysia	Investment holding	54.56	54.56	45.44	45.44
Sunway Construction India Pte. Ltd.#	India	Construction of civil and building works	54.56	54.56	45.44	45.44
Sunway Machineries Services Sdn. Bhd.	Malaysia	Dormant	54.56	54.56	45.44	45.44
Sunway Creative Stones Sdn. Bhd.** (In Liquidation)	Malaysia	Dormant	38.19	38.19	61.81	61.81
Sunway Precast Industries Sdn. Bhd.	Malaysia	Manufacturing of precast concrete building components, undertaking of precast concrete building contracts and construction activities, as well as acting as transportation agent	54.56	54.56	45.44	45.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(l) Subsidiaries of Sunway Construction Sdn. Bhd. (contd.)						
Sunway Builders Sdn. Bhd.	Malaysia	Construction of building and civil works	54.56	54.56	45.44	45.44
Sunway Construction Caribbean Limited* (In the midst of deregistration)	Trinidad and Tobago	Dormant	54.56	54.56	45.44	45.44
Sunway RNS TJ Private Limited^^	India	Concessionaire	32.74	32.74	67.26	67.26
Sunway RNSIL MC Private Limited^^	India	Concessionaire	32.74	32.74	67.26	67.26
Sunway Geotechnics (M) Sdn. Bhd.	Malaysia	Providing geotechnical services and related products and hire of heavy machineries	54.56	54.56	45.44	45.44
Sunspan Sdn. Bhd.+++ (In Liquidation)	Malaysia	Dormant	54.56	54.56	45.44	45.44
Sunway SK Sdn. Bhd.	Malaysia	Construction of building and civil works	54.56	54.56	45.44	45.44
Sunway Facade Network Sdn. Bhd.	Malaysia	Facade design, engineering, construction and consultancy services	32.73	32.73	67.27	67.27
Sunway Visioneering Sdn. Bhd.	Malaysia	Providing building information modelling (BIM) end-to-end solutions for project lifecycle	54.56	54.56	45.44	45.44
Sunway Concrete Products (M) Sdn. Bhd.	Malaysia	Manufacture of prefabricated structural and metal components for buildings or civil engineering of cement, concrete or artificial stones	54.56	54.56	45.44	45.44
Sunway Innopave (S) Pte. Ltd.®	Singapore	Investment holding company and renting of construction and civil engineering machinery and equipment	54.56	54.56	45.44	45.44

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(m) Subsidiary of Sunway Engineering Sdn. Bhd.						
Sunway Pekat Solar Sdn. Bhd.	Malaysia	Installation of non-electric solar energy collectors	32.73	32.73	67.27	67.27
(n) Subsidiary of Sunway Geotechnics (M) Sdn. Bhd.						
Sunway CT Geotechnics Pte. Ltd.®	Singapore	Dormant	30	30	70	70
(o) Subsidiary of Sunway Industrial Products Sdn. Bhd.						
Sunway Concrete Products (S) Pte. Ltd.®	Singapore	Manufacturing and sale of precast concrete building components	54.56	54.56	45.44	45.44
(p) Subsidiary of Sunway Innopave (S) Pte. Ltd.						
Sunway Builders (Myanmar) Company Limited+ (In Liquidation)	Myanmar	Project management in construction services	54.56	54.56	45.44	45.44
(q) Subsidiaries of SunwayMas Sdn. Bhd.						
Sunway Bangi Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Mujurmas Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Pembangunan Risjaya Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Rawang Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Kanching Heights Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Eaglefield Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Rydgeway Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
Sunway Termuning Sdn. Bhd.	Malaysia	Property and housing development	80	80	20	20
Virgo Rhythm Sdn. Bhd.	Malaysia	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(q) Subsidiaries of SunwayMas Sdn. Bhd. (contd.)						
Sunway Eastwood Sdn. Bhd.	Malaysia	Property and housing development	70	70	30	30
Daksina Harta Sdn. Bhd.**	Malaysia	Property development and property investment	60	-	40	-
(r) Subsidiary of Sunway Quarry Industries Sdn. Bhd.						
Sunway Quarry Industries (Taiping) Sdn. Bhd.#	Malaysia	Dormant	100	100	-	-
(s) Subsidiaries of Sunway Marketing Sdn. Bhd.						
Sunway Marketing (East Malaysia) Sdn. Bhd.	Malaysia	Trading in hoses and fittings and industrial products	100	100	-	-
Sunway Hose Centre Sdn. Bhd.	Malaysia	Trading in hoses and fittings and hoses assembly	100	100	-	-
Sunway Architectural Products Sdn. Bhd.	Malaysia	Trading in architectural and finishing products	85	85	15	15
Sunway Opus International Trading Private Limited #	India	Dormant	60	60	40	40
Sunway Enterprise (1988) Sdn. Bhd.	Malaysia	Trading and hiring of heavy machinery and spares parts	100	100	-	-
Sunway Hydraulic Industries Sdn. Bhd.	Malaysia	Importation and trading of hydraulic fittings	100	100	-	-
Dongfeng Commercial Vehicle (Malaysia) Sdn. Bhd.	Malaysia	Importing completely built-up Dongfeng trucks, acting as sales agent for new Dongfeng trucks in completely built-up and completely knocked down form and provision of marketing, promotion, sales and after sales and engineering servicing of the entire civil range of Dongfeng	97	97	3	3

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(t) Subsidiaries of Sunway Marketing (S) Pte. Ltd.						
Sunway Marketing (Shanghai) Pte. Ltd.#	China	Dormant	100	100	-	-
PT Sunway Trek Masindo#	Indonesia	Trading in hoses and fittings, hoses assembly and heavy equipment parts	100	100	-	-
Sunway Marketing (Thailand) Ltd.#	Thailand	Trading in hoses and fittings, hoses assembly and heavy equipment parts	100	100	-	-
Sunway TotalRubber Ltd.®	Australia	Import and distribution of industrial rubber and plastics	100	100	-	-
Sunway Marketing (Vietnam) Co. Ltd.®	Vietnam	Trading in hoses and fittings and service and assembly of hoses and hoses fittings	100	100	-	-
PT Sunway Flowtech#	Indonesia	Trading in hoses and fittings, and hoses assembly	100	100	-	-
PT Sunway Pacific Flow#	Indonesia	Manufacturing of specialty hoses	100	100	-	-
(u) Subsidiary of Sunway Holdings (Vietnam) Sdn. Bhd.						
Realty Investments (HB) Inc.#	Panama	Investment holding	100	100	-	-
(v) Subsidiary of Realty Investments (HB) Inc.						
Hang Bai Office Complex JVC#	Vietnam	Dormant	74	74	26	26
(w) Subsidiary of PT Sunway Trek Masindo						
PT Sunway Distribusi Indonesia#	Indonesia	Import and distribute construction equipment and related parts, industrial hardware and CBU mixer truck, truck mounted concrete pump, Inc parts and hardware, engine oils, lubricants and tyres	67	67	33	33

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(x) Subsidiary of Sunway Serene Sdn. Bhd.						
Cleaver Fortune Sdn. Bhd. (Dissolved on 24 November 2022 and did not have material effect)	Malaysia	Dormant	-	100	-	-
(y) Subsidiaries of Sunway Global Limited						
Sunway Spun Pile (Zhuhai) Co. Ltd.#	China	Design, manufacture and sale of pretensioned spun concrete piles	94.73	94.73	5.27	5.27
Sunway Hydraulic Industries (Wuhu) Co. Ltd.#	China	Production and sale of automotive parts, hydraulic pipes, coupling and adapter, production, sale and marketing of building materials, import and export trading	98.99	98.99	1.01	1.01
Sunway Trading (Shanghai) Pte. Ltd.#	China	Trading and distribution of hoses and couplings, machineries, spare parts and related items	98.99	98.99	1.01	1.01
Sunway Daechang Forging (Anhui) Co. Ltd.#	China	Manufacturing, repair and assembling of undercarriage components, trading, providing design, consultancy services, maintenance	59.39	59.39	40.61	40.61
(z) Subsidiary of Sunway Enterprise (1998) Sdn. Bhd.						
Sunway Material Handling Sdn. Bhd.	Malaysia	Engage in sales, services and renting of material handling equipment and all related activities	60	60	40	40
(aa) Subsidiary of Sunway TotalRubber Ltd.						
Sunway TotalRubber Services Franchising Pty. Ltd.®	Australia	Franchisor for TotalRubber franchising business	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd.						
Sunway Integrated Properties Sdn. Bhd.	Malaysia	Property development, property investment and provision of management services	100	100	-	-
Sunway Alishan Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Biz Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway City (Penang) Sdn. Bhd.	Malaysia	Property development, provision of property management services and investment holding	100	100	-	-
Konsep Objektif (M) Sdn. Bhd.	Malaysia	Investment holding	70	70	30	30
Sunway City Properties Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Lagoon Sdn. Bhd.	Malaysia	Operator of a theme park which includes restaurant, recreational, amusement and zoo activities establishments	100	100	-	-
Sunway Resort Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Travel Sdn. Bhd.	Malaysia	Provision of operation of travel and tour businesses, transportation services motor insurance and retail products	100	100	-	-
Emerald Tycoon Sdn. Bhd.	Malaysia	Letting and management of property	100	100	-	-
Sunway Grand Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway FSSC Sdn. Bhd.	Malaysia	Provision of financial and accounting services and information services	100	100	-	-
Sunway City (Cambodia) Sdn. Bhd.	Malaysia	Investment holding	76	76	24	24
Sunway City (Ipoh) Sdn. Bhd.	Malaysia	Property development, investment holding and provision of management services	95.96	95.96	4.04	4.04
Sunway PKNS Sdn. Bhd.	Malaysia	Property development and investment holding	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Leisure Sdn. Bhd.	Malaysia	Ice rink operator	100	100	-	-
Sunway Semenyih Sdn. Bhd.	Malaysia	Property development	70	70	30	30
Sunway Tunas Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Area Star Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway City (S'pore) Pte. Ltd.®	Singapore	Investment holding	100	100	-	-
Sunway Management Services Sdn. Bhd. #	Malaysia	Provision of share registration and secretarial services	100	100	-	-
Sunway Destiny Sdn. Bhd.	Malaysia	Management and letting out of properties	100	100	-	-
Sunway Facility Management Sdn. Bhd.	Malaysia	Building facilities management and provision of management services	100	100	-	-
Sunway IFM Sdn. Bhd.	Malaysia	Building facilities management, consultancy services, provision of e-commerce platforms, act as marketplace operator and other retail sale in non-specialized stores	100	100	-	-
Sunway City (JB) Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway Melawati Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Bukit Gambier Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Property & Facility Management Sdn. Bhd.	Malaysia	Property and facility management	100	100	-	-
Sunway Living Space Sdn. Bhd.	Malaysia	Property development, property investment, operation and management of short stay accommodation	100	100	-	-
Sunway MUSC Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Supply Chain Enterprise Sdn. Bhd. #	Malaysia	Property development and property investment	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Healthy Lifestyle Sdn. Bhd.	Malaysia	Management of healthcare programmes	100	100	-	-
Sunway Residence Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Synergy Sdn. Bhd.	Malaysia	Provision of human resource services	100	100	-	-
Rich Worldclass Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Tower 1 Sdn. Bhd. #	Malaysia	Property investment and car park management	100	100	-	-
Sunway Symphony Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway City India Private Limited#	India	Property development and investment holding	100	100	-	-
Sunway REM Sdn. Bhd.	Malaysia	Purification and distribution of water for water supply purposes	100	100	-	-
Sunway Ambience Sdn. Bhd. #	Malaysia	Property investment	100	100	-	-
Sunway Rahman Putra Sdn. Bhd.	Malaysia	Property development	85	100	15	-
Sunway Pals Loyalty Sdn. Bhd.	Malaysia	Customer loyalty schemes	100	100	-	-
Sunway Pinnacle Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
SunCity Vietnam Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Labuan Investment Ltd.	Malaysia	Investment holding	100	100	-	-
Sunway Forum Hotel Sdn. Bhd.	Malaysia	Hotel operations	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Kiara Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Century Sdn. Bhd. [#]	Malaysia	Property investment	100	100	-	-
Sunway Pyramid Development Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Sunway Power Sdn. Bhd. [#]	Malaysia	Dormant	100	100	-	-
Sunway Finpro Sdn. Bhd.	Malaysia	Provision of financial and accounting services	100	100	-	-
Sunway Putra Hotel Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Pena Enterprise Sdn. Bhd. (Dissolved on 23 February 2022 and did not have material effect)	Malaysia	Dormant	-	100	-	-
Sunway International Properties Sdn. Bhd. (Formerly known as Sunway Parking Services Sdn. Bhd.)	Malaysia	Investment holding	100	100	-	-
Sunway Subang Sdn. Bhd.	Malaysia	Property development	80	80	20	20
Sunway D'Mont Kiara Sdn. Bhd. (70% held by Sunway City Sdn. Bhd. and 30% held by Sunway PKNS Sdn. Bhd.)	Malaysia	Property development	88	88	12	12
Sunway Southern Management Sdn. Bhd.	Malaysia	Provision of management services	100	100	-	-
Deco Style Sdn. Bhd.	Malaysia	Specialist contractor in renovation of commercial/ residential projects	100	100	-	-
Sunway Pendas Management Sdn. Bhd.	Malaysia	Provision of management services	100	100	-	-
Sunway GD Piling Sdn. Bhd.	Malaysia	Property development	70	70	30	30

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Sunway Belfield Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway (Tianjin) Management Consultancy Co. Ltd. [#]	China	Provision of management consultancy and advisory services	100	100	-	-
Sunway Sustainability Solutions Sdn. Bhd.	Malaysia	Property and facility management	100	100	-	-
Galaxy Avenue Sdn. Bhd. [#]	Malaysia	Property investment	100	100	-	-
Reptolink Sdn. Bhd. [#]	Malaysia	Property investment	100	100	-	-
Sunway International Hotels & Resorts Sdn. Bhd.	Malaysia	Rendering of management, advisory, supervision and other related services for the operation and management of hotel	100	100	-	-
Commercial Parade Sdn. Bhd.	Malaysia	Provision of management services	100	100	-	-
Sunway Treasury Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
Sunway Lagoon Club Berhad	Malaysia	Recreational club facilities	84.08	84.08	15.92	15.92
Sunway REIT Holdings Sdn. Bhd.	Malaysia	Investment holding	100	100	-	-
Sunway Property Management Sdn. Bhd.	Malaysia	Provision of accommodation management services	100	100	-	-
Sunway RE Capital Pte. Ltd. [®]	Singapore	Real estate investment	100	100	-	-
Sunway Little Sunshine Child Care Centre Sdn. Bhd.	Malaysia	Provision of child care services	100	100	-	-
Sunway Flora Sdn. Bhd. (Formerly known as Sterling Paradise Sdn. Bhd.)	Malaysia	Property development	100	100	-	-
Allson International Hotels & Resorts (B.V.I.) Limited [#]	British Virgin Islands	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ab) Subsidiaries of Sunway City Sdn. Bhd. (contd.)						
Peluang Klasik (M) Sdn. Bhd.	Malaysia	Dormant	100	100	-	-
Sunway Sports Sdn. Bhd. ^{^^}	Malaysia	Operation of leisure sports activities	100	-	-	-
Tanda Warisan Sdn. Bhd.	Malaysia	Property development and construction	60	-	40	-
Sunway Velocity Two Sdn. Bhd. ^{**}	Malaysia	Property development	60	-	40	-
Sunway Artessa Sdn. Bhd. ^{**}	Malaysia	Property development	55	-	45	-
(ac) Subsidiaries of Sunway City (Penang) Sdn. Bhd.						
Fame Parade Sdn. Bhd.	Malaysia	Provision of management services, property investment and shopping mall owner and operator	100	100	-	-
Sunway Hotel (Seberang Jaya) Sdn. Bhd.	Malaysia	Hotelier	100	100	-	-
Sunway Carnival Sdn. Bhd. (Dissolved on 27 April 2022 and did not have material effect)	Malaysia	Dormant	-	100	-	-
Sunway Bintang Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Associated Circle Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Orient Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
(ad) Subsidiary of Sunway Treasury Sdn. Bhd.						
Sunway Treasury Sukuk Sdn. Bhd.	Malaysia	Provision of financial services to the Group	100	100	-	-
(ae) Subsidiary of Konsep Objektif (M) Sdn. Bhd.						
Sunway Hotel Phnom Penh Ltd. [®]	Cambodia	Hotel business	52.50	52.50	47.50	47.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(af) Subsidiaries of Sunway Lagoon Sdn. Bhd.						
Eastern Glory Enterprises Limited*	British Virgin Islands	Investment holding	45	45	55	55
Sunway Townhouse Sdn. Bhd. [#]	Malaysia	Property development and letting of property	100	100	-	-
Sunway South Quay Sdn. Bhd.	Malaysia	Property development	100	100	-	-
(ag) Subsidiaries of Sunway South Quay Sdn. Bhd.						
Sunway Integrated Parking Sdn. Bhd.	Malaysia	Car park operator	100	100	-	-
Sunway Monash-U Residence Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
Prosper Revenue Sdn. Bhd.	Malaysia	Property development	100	100	-	-
Sunway Geo Sdn. Bhd.	Malaysia	Property investment	100	100	-	-
(ah) Subsidiary of Sunway Resort Hotel Sdn. Bhd.						
Sunway Black Tap Sdn. Bhd.	Malaysia	Restaurant operator	90	-	10	-
(ai) Subsidiary of SunCity Vietnam Sdn. Bhd.						
Hochimex Nominee Company Limited [#]	Hong Kong	Investment holding	100	100	-	-
(aj) Subsidiary of Hochimex Nominee Company Limited						
Sunway Hotel Hanoi Liability Limited Company with One Member [®]	Vietnam	Hotel business	100	100	-	-
(ak) Subsidiary of Sunway City (Cambodia) Sdn. Bhd.						
Sunway City Cambodia Limited [#]	Cambodia	Dormant	60.80	60.80	39.20	39.20

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(al) Subsidiaries of Sunway City (Ipoh) Sdn. Bhd.						
Kinta Sunway Resort Sdn. Bhd.	Malaysia	Property investment, hotel owner and operator and property development	95.96	95.96	4.04	4.04
Objektif Ekuiti (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Lost World Water Park Sdn. Bhd.	Malaysia	Development and operation of a water theme park	95.96	95.96	4.04	4.04
Lagoon Fantasy Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Semangat Kancil (M) Sdn. Bhd.	Malaysia	Dormant	95.96	95.96	4.04	4.04
Sunway Organic Garden Sdn. Bhd.	Malaysia	Organic farming business	95.96	95.96	4.04	4.04
Sunway Lost World Hotel Sdn. Bhd.	Malaysia	Operation of a hotel	95.96	95.96	4.04	4.04
(am) Subsidiary of Deco Style Sdn. Bhd.						
Sunway Design Sdn. Bhd.	Malaysia	Interiors decorator and contractors	80	80	20	20
(an) Subsidiaries of Sunway PKNS Sdn. Bhd.						
Imbasan Intisari Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Tidal Elegance Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Park Symphony Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Nexis Parking Sdn. Bhd.	Malaysia	Car park operator	60	60	40	40
Laudable Generations Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Sunway D Hill Sdn. Bhd.	Malaysia	Dormant	60	60	40	40

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(an) Subsidiaries of Sunway PKNS Sdn. Bhd. (contd.)						
Sunway Giza Mall Sdn. Bhd.	Malaysia	Letting and management of a shopping complex	60	60	40	40
Sunway Giza Parking Sdn. Bhd.	Malaysia	Property investment	60	60	40	40
Contemporary Factor Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Sumber Dorongan Sdn. Bhd.	Malaysia	Letting and management of property	60	60	40	40
Anggaran Salju Sdn. Bhd.	Malaysia	Dormant	60	60	40	40
Bisikan Seni Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Emerald Freight Sdn. Bhd.	Malaysia	Property development	60	60	40	40
Sunway Montereiz Sdn. Bhd.	Malaysia	Property development	60	60	40	40
(ao) Subsidiaries of Eastern Glory Enterprises Limited						
Hartford Lane Pty. Ltd.#	Australia	Trustee	45	45	55	55
International Theme Park Pty. Ltd.#	Australia	Investment holding	45	45	55	55
(ap) Subsidiary of International Theme Park Pty. Ltd.						
Sunway Australia Unit Trust#	Australia	Unit trust	45	45	55	55
(aq) Subsidiaries of Sunway City (S'pore) Pte. Ltd.						
Sunway Investment Management Consultancy (Shanghai) Co. Ltd.#	China	Provision of management consultancy advisory services	100	100	-	-
Primary Selection Pte. Ltd.^	Singapore	Dormant	100	100	-	-
Sunway Property (Australia) Pty. Ltd.#	Australia	Dormant	100	100	-	-
Sunway Property Development (Zhuhai) Co. Ltd.#	China	Dormant	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(ar) Subsidiaries of Sunway Winstar Sdn. Bhd.						
Winstar Enterprise Sdn. Bhd.	Malaysia	Dormant	98.85	98.85	1.15	1.15
Rising Star Marketing Sdn. Bhd.	Malaysia	Dormant	98.85	98.85	1.15	1.15
Sunway Saf-T-Quip Sdn. Bhd.	Malaysia	Sale of industrial safety products	98.85	98.85	1.15	1.15
Sunway United Star Sdn. Bhd.	Malaysia	Trading in hardware and engineering products	98.85	82.05	1.15	17.95
Sunway Hsing Yeat Sdn. Bhd.	Malaysia	Dormant	98.85	98.85	1.15	1.15
Jaya DIY Mart Sdn. Bhd.	Malaysia	Operator of a retail do-it-yourself (DIY) chain, selling hardware and household products	98.85	98.85	1.15	1.15
(as) Subsidiaries of Winstar Enterprise Sdn. Bhd.						
Multi Star Marketing Sdn. Bhd.	Malaysia	Dormant	64.25	64.25	35.75	35.75
Power Star Hardware Sdn. Bhd.	Malaysia	Dormant	89.57	89.57	10.43	10.43
(at) Subsidiaries of Sunway Hsing Yeat Sdn. Bhd.						
Tactstar Sdn. Bhd. (In Liquidation) ^{##}	Malaysia	Dormant	98.85	98.85	1.15	1.15
Star Bridge Hardware Sdn. Bhd. (In Liquidation) ^{##}	Malaysia	Dormant	74.14	74.14	25.86	25.86
Power Star Machinery Sdn. Bhd.	Malaysia	Dormant	98.85	98.85	1.15	1.15
Sunway Coating Solutions Sdn. Bhd.	Malaysia	Manufacturing and selling of paints, chemicals and concrete	69.20	69.20	30.80	30.80
The Venue International Sdn. Bhd. (In Liquidation) ^{##}	Malaysia	Dormant	59.31	59.31	40.69	40.69
(au) Subsidiaries of Sunway RE Capital Pte. Ltd.						
Sunway RE Capital Advisors (SG) Pte. Ltd. [®]	Singapore	Fund management services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022 %	2021 %	2022 %	2021 %
(au) Subsidiaries of Sunway RE Capital Pte. Ltd. (contd.)						
Sunway Residence Trust II [®]	Singapore	Generate returns to registered holders of units by investing principally in student accommodation located in United Kingdom	100	100	-	-
(av) Subsidiaries of Sunway RE Capital Advisors (SG) Pte. Ltd.						
Sunway RE Capital Advisors (UK) Limited ^{^^}	United Kingdom	Fund management services	85	85	15	15
Sunway MBU RE Capital Advisors (UK) Limited ^{^^}	United Kingdom	Dormant	100	100	-	-
(aw) Subsidiary of Sunway Residence Trust						
Sunway Residence (Guernsey) Limited [®]	Guernsey	Buying, selling, renting and other real estate activities	100	100	-	-
(ax) Subsidiaries of Sunway Residence Trust II						
Sunway Residence (Singapore) Pte. Ltd. [®]	Singapore	Investment holding	100	100	-	-
Sunway Residence Trust [®]	Singapore	Generate returns to registered holders of units by investing principally in student accommodation located in United Kingdom	100	100	-	-
(ay) Subsidiary of Sunway Residence (Singapore) Pte. Ltd.						
Sunway Residence (Guernsey) Holdings Limited ^{^^}	Guernsey	Investment holding	100	100	-	-
(az) Subsidiary of Sunway Residence (Guernsey) Holdings Limited						
Sunway Residence (Guernsey) 2 Limited [®]	Guernsey	Investment holding	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

51. SUBSIDIARIES (CONTD.)

Details of the subsidiaries are as follows: (contd.)

Name of companies	Principal place of business/ Country of incorporation	Principal activities	% of effective interest held by			
			Group		Non-controlling interest	
			2022	2021	2022	2021
			%	%	%	%
(aaa) Subsidiary of Sunway Velocity Two Sdn. Bhd.						
Sunway Vtwo Holdings Sdn. Bhd.	Malaysia	Property investment	60	-	40	-

Name of structured entities	Principal activities	% of effective interest held by			
		Group		Non-controlling interest	
		2022	2021	2022	2021
		%	%	%	%
(aab) Structured entities under the control of Sunway Berhad					
RHB Private Fund - Series 5 ^{#^^^}	Investment in fixed income securities, money market investments and deposits	97.90	99.10	2.10	0.90
Kenanga Income Fund Series 1 ^{#^^^}	Investment in fixed income securities, money market investments and deposits	100	100	-	-
Kenanga MoneyExtra Fund II ^{#^^^}	Investment in short term money market instruments and fixed income securities	76.40	51.20	23.60	48.80
Maybank Shariah Institutional Income Fund ^{#^^^}	Investment in shariah-compliant equities, Sukuk, Islamic deposits, Islamic money market instruments, Islamic collective investment schemes	98.20	100	1.80	-
RHB Islamic Fund ^{#^^^%}	Investment in Islamic fixed income securities and/or Islamic money market instruments	-	100	-	-

[@] Audited by Member Firms of BDO International.

[#] Audited by firms of auditors other than BDO in Malaysia and Member Firms of BDO International.

^{**} Placed under members' voluntary winding-up.

^{*} Dissolved on 19 January 2023 pursuant to Section 551(3) of the Companies Act 2016.

^{**} Dissolved on 22 February 2023 pursuant to Section 551(3) of the Companies Act 2016.

^{***} Dissolved on 23 March 2023 pursuant to Section 551(3) of the Companies Act 2016.

^{*} The Group controls the composition of the Board of Directors of the companies and hence has the power to govern the relevant activities of the companies.

^{**} Became subsidiaries of the Group upon entering into Supplemental Letter Agreements with respective joint venturers as disclosed in Note 20 to the financial statements.

^{***} Became joint venture of the Group upon entering into a Supplemental Letter Agreements with a joint venturer as disclosed in Note 20 to the financial statements.

[^] Subsidiaries are consolidated based on management accounts for the financial year ended 31 December 2022. The financial statements of these subsidiaries are not required to be audited as they had been placed under members' voluntary winding up during the financial year.

^{^^} Statutory audit not required as at 31 December 2022.

^{^^^} These wholesale funds are deemed subsidiaries of the Group and the Company as these wholesale funds are in substance, structured entities under the control of the Group and of the Company in accordance with MFRS 10 Consolidated Financial Statements as disclosed in Note 20(d) of the financial statements.

[%] During the financial year, the Group had redeemed all of its units in RHB Islamic Fund. Accordingly, this fund had been deconsolidated from the financial statements of the Group and did not have material effect.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

52. JOINT OPERATION

Joint operation of Sunway Construction Sdn. Bhd.	Principal place of business	Principal activities	Effective participating interest	
			2022	2021
			%	%
Taisei-Sunway Joint Venture*	Unincorporated Malaysia	Construction works	27.28	27.28

* Audited by a Member Firm of BDO International.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right and share of any jointly held assets, liabilities, revenues and expenses of the joint operation in accordance with the MFRS applicable to the respective assets, liabilities, revenues and expenses.

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) Changes in the composition of the Group

(i) Deemed acquisitions of subsidiaries, which were previously joint ventures of the Group

On 18 February 2022, Sunway City Sdn. Bhd. ("SunCity"), a wholly-owned subsidiary of the Company, entered into a Supplemental Letter Agreement ("SLA") with Huatland Development Sdn. Bhd. and Sunway Artessa Sdn. Bhd. ("Sunway Artessa"), a joint venture of SunCity, to vary certain terms of the Subscription and Shareholders' Agreement dated 16 August 2017, which resulted in SunCity obtaining control of Sunway Artessa in accordance with MFRS 10 Consolidated Financial Statements.

On the same date, SunCity also entered into another SLA with Low Peng Kiat, CRSC Property Sdn. Bhd. and Sunway Velocity Two Sdn. Bhd. ("Sunway Velocity Two"), a joint venture of SunCity, to vary certain terms of the Subscription and Shareholders' Agreement dated 10 February 2017, which resulted in SunCity obtaining control of Sunway Velocity Two in accordance with MFRS 10.

On 11 November 2022, SunwayMas Sdn. Bhd. ("SunwayMas"), a wholly-owned subsidiary of Sunway Holdings Sdn. Bhd., which in turn a wholly-owned subsidiary of the Company, entered into a SLA with Perkasa Bernas (M) Sdn. Bhd. and Daksina Harta Sdn. Bhd. ("Daksina Harta"), a joint venture of SunwayMas, to vary certain terms of the Shareholders' Agreement dated 26 October 2018, which resulted in SunwayMas obtaining control of Daksina Harta in accordance with MFRS 10.

Consequently, both Sunway Artessa and Sunway Velocity Two became subsidiaries of SunCity on 18 February 2022, while Daksina Harta became subsidiary of SunwayMas on 11 November 2022.

The financial effects on the changes in the composition of the Group arising from the remeasurements of previously held equity interests in Sunway Artessa, Sunway Velocity Two and Daksina Harta are disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

(a) Changes in the composition of the Group (contd.)

(ii) Changes in equity interests in subsidiaries, namely Multicare Health Pharmacy Sdn. Bhd. and World Medicare Supplies Sdn. Bhd.

On 21 May 2021, Sunway Holdings Sdn. Bhd. ("SHSB"), a wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement ("SPA") to acquire 482,000 and 100 ordinary shares, representing 96.4% and 100% equity interest in Multicare Health Pharmacy Sdn. Bhd. and its subsidiaries ("Multicare Group") and World Medicare Supplies Sdn. Bhd. ("World Medicare") respectively. The indicative purchase consideration for the acquisition of equity interests in Multicare Group and World Medicare amounted to RM137.4 million and RM0.3 million respectively, after having taken into consideration the time value of money, which are payable in three (3) tranches over five years.

On 7 March 2022, SHSB had entered into new Share Sale Agreements to acquire a total of 12,000 ordinary shares in Multicare Health Pharmacy Sdn. Bhd. ("Multicare Health Pharmacy"), representing additional 2.4% of the issued and paid-up share capital of Multicare Health Pharmacy as disclosed in Note 20(e)(vii) to the financial statements, which increased SHSB's total effective equity interest in Multicare Group to 98.8%.

However, SHSB had on 30 December 2022 entered into a Supplemental Agreement ("SA") to vary the terms of the SPA and to revise the original acquisition stakes in Multicare Health Pharmacy and World Medicare, which involves cancellation of the second and third tranche purchase consideration, followed by determination of the new indicative purchase consideration on the additional ordinary shares to be acquired by SHSB. Following the variation, SHSB's equity interests in Multicare Health Pharmacy and World Medicare were revised downward from 98.8% to 78.8% and from 100% to 80% respectively.

The variation in SHSB's equity interest in both Multicare Health Pharmacy and World Medicare does not result in loss of controls, thus the effects of the aforesaid SA were accounted as an equity transaction within the Group.

(b) Proposed acquisition of lands and buildings by Sunway Medical Centre Sdn. Bhd. from RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) ("Proposed Acquisition")

On 9 October 2012, Sunway Medical Centre Sdn. Bhd. ("SMCSB"), a 99.99%-owned subsidiary of Sunway Healthcare Holdings Sdn. Bhd., which in turn a 84%-owned joint venture of Sunway City Sdn. Bhd., had entered into a master lease agreement ("MLA") with RHB Trustees Berhad ("RHB Trustees") (as the lessor) and Sunway REIT Management Sdn. Bhd. to lease a seven-storey purpose-built hospital building and land known as "Tower A & B of Sunway Medical Centre" for a 10-year term (with an option to extend for another 10 years), which commenced on 31 December 2012 and expired on 30 December 2022.

In the previous financial years, SMCSB had recognised lease liabilities with corresponding right-of-use assets in accordance with MFRS 16 *Leases* on the lease of "Tower A & B of Sunway Medical Centre", including periods covered with an option to extend for another 10 years as it was reasonably certain that the option will be exercised upon expiry.

Prior to the expiry of MLA, SMCSB had on 29 December 2022 entered into a Conditional Sale and Purchase Agreement ("SPA") with RHB Trustees for the acquisition of "Tower A & B of Sunway Medical Centre", together with the plant and machinery and all fixtures and fittings affixed or located or used in the buildings ("Property") for a total purchase consideration of RM430.0 million. The Proposed Acquisition is expected to be completed in the first half of the financial year ending 31 December 2023, subject to the fulfillment of all conditions precedent of the SPA and authorities' approval.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONTD.)

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTD.)

(b) Proposed acquisition of lands and buildings by Sunway Medical Centre Sdn. Bhd. from RHB Trustees Berhad (as trustee for Sunway Real Estate Investment Trust) ("Proposed Acquisition") (contd.)

Subsequently, SMCSB had reassessed the lease term and has taken the short term lease exemption upon the lease maturity on 30 December 2022. The lease reassessment had resulted in a gain of RM57.5 million being recognised in the financial statements of SMCSB during the financial year. Consequently, the Group had shared the proportionate gain of RM48.3 million to profit or loss based on equity method of accounting for the financial year ended 31 December 2022.

SMCSB and RHB Trustees had on 31 March 2023, entered into a supplemental agreement to amend certain terms and conditions of the SPA. Pursuant to the supplemental agreement, the parties have agreed to extend the cut-off date for fulfilling the conditions precedent of the SPA for another 2 months from 30 March 2023, or such other extended dates as the parties may mutually agree upon in writing.

54. ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

During the financial year, the Group and the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2022.

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

The standards that are issued but not yet effective up to the date of issuance of financial statements of the Group and of the Company are disclosed below. The Group and the Company intend to adopt these Standards, if applicable, when they become effective.

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosures of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

Sunway Berhad

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LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2022

No.	Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2022 (RM'000)	Acquisition (A) / Revaluation (R)	Date of
1	PT 252 HS(D) 63419 PT 4974 HS(D) 79345 PT 5223 HS(D) 317132 PT 5224 HS(D) 317133 PT 193 HS(D) 238243 PT 215 HS(D) 240048 Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan	21.39	Kelana Jaya land (Land under development and held for development)	-	Freehold & Leasehold expiring 03.07.2116 & 19.03.2106 & 12.08.2106	467,839	A A	May-15 Feb-16
2	GRN.81534 Lot 62644 & 62225 (previously known as PT 895 HS(D) 238254 & PT 923 HS(D) 238976) Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan	7.85 / 623,010	Sunway Monash Residence (Phase 1 & 2)	11.5	Leasehold expiring 15.03.2106 & 02.04.2106	456,760	R	Dec-22
3	Lot 20055, 20056, 20057	8.05	Sunway Velocity Two (Mixed development)	-	Leasehold expiring 11.03.2117	447,165	A	Feb-17
4	Lot 1385, 2102, 3224, 7629, 3223 & 7630 Mukim 13, Daerah Timur Laut, Pulau Pinang	24.92	Paya Terubong land (Land held for development)	-	Freehold	440,192	A	Dec-13
5	Lot 62637 - 62639, Lot 62654, Lot 62656 PT 1352 HS(D) 297666 PT 1353 HS(D) 297667 PT 1369 HS(D) 321457 PT 1370 HS(D) 321458 Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan	48.02	Sunway South Quay (Land under development and held for development)	-	Leasehold expiring 15.05.2106 & 20.05.2113	376,955	A A	May-04 Nov-05 Mar-06

LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2022

No.	Location / Address	Land area (acres) / Built up area (sq ft)	Description / Existing use	Age of Building (Years)	Tenure	Net Book Value as at 31.12.2022 (RM'000)	Acquisition (A) / Revaluation (R)	Date of
6	PT894 HSD(T) 238253 Lot 62630 PN 81526 (previously known as PT907) PN 81526 (previously known as HSD(T) 238960) Bandar Sunway, Daerah Petaling, Selangor Darul Ehsan	11.96	Monash University	16	Leasehold expiring 15.05.2106 & 02.04.2106	369,870	R	Dec-22
7	PT 484, Jalan Cochrane	6.59	Jalan Cochrane (Land held for development)	-	Freehold	271,726	A	Apr-21
8	PN39252 Lot 14002	74.53 / 100,945	Dengkil warehouse & land	3	Leasehold expiring 19.10.2093	269,276	A A	Nov-18 Nov-20
9	Geran Mukim 85 Lot 526 Geran Mukim 84 Lot 527 Geran Mukim 83 Lot 528 Hakmilik Sementara PT36391 Geran Mukim 319 Lot 62506 Tempat Sungei Penaga, Mukim Damansara, Daerah Petaling, Negeri Selangor	14.80	USJ 1 Land (Land held for development)	-	Freehold	236,356	A	Apr-18
10	PTD 218602, 231854, 231849, 231850, 231856, 231857, 239874-239902 Lot 211689 (GRN569700) (previously known as 231844) Mukim Plentong, District of Johor Bahru, Johor	48.20	Sunway Lenang Heights (Ph 1-6) (Land under development and held for development)	-	Freehold	233,824	A	Dec-10

Sunway Berhad

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DIRECTORS' INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

AS AT 31 MARCH 2023

DIRECTORS' INTERESTS IN SUNWAY

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	115,206,913	2.36
Tan Sri Dato' (Dr.) Chew Chee Kin	21,038,466	0.43
Sarena Cheah Yean Tih	5,248,592	0.11
Tan Sri Dato' Dr. Lin See Yan	1,000,000	0.02

Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^(a)	3,036,023,520	62.10
Tan Sri Dato' (Dr.) Chew Chee Kin ^(b)	1,564,862	0.03
Sarena Cheah Yean Tih ^(c)	3,141,789,417	64.26

Name of Directors	Irredeemable Convertible Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	42,361,082	4.33
Tan Sri Dato' (Dr.) Chew Chee Kin	4,207,692	0.43
Sarena Cheah Yean Tih	1,049,718	0.11

Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^(a)	645,250,501	65.99
Tan Sri Dato' (Dr.) Chew Chee Kin ^(b)	312,972	0.03
Sarena Cheah Yean Tih ^(c)	685,732,826	70.13

Name of Directors	Warrants 2017/2024	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	34,611,993	5.17
Tan Sri Dato' (Dr.) Chew Chee Kin	2,818,169	0.42
Sarena Cheah Yean Tih	703,065	0.11

Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^(d)	435,046,372	64.99
Tan Sri Dato' (Dr.) Chew Chee Kin ^(b)	209,618	0.03
Sarena Cheah Yean Tih ^(e)	468,393,711	69.98

DIRECTORS' INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS

AS AT 31 MARCH 2023

DIRECTORS' INTERESTS IN SUNWAY'S IMMEDIATE HOLDING COMPANY, SUNGAI WAY CORPORATION SDN BHD

Name of Directors	Ordinary Shares	
	No.	%
Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ^(f)	10,000,000	100.00
Sarena Cheah Yean Tih ^(g)	10,000,000	100.00

Name of Directors	Non-Cumulative Convertible Redeemable Preference Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	300,000,000	100.00
Deemed interest		
Sarena Cheah Yean Tih ^(h)	300,000,000	100.00

DIRECTORS' INTERESTS IN SUNWAY'S ULTIMATE HOLDING COMPANY, ACTIVE EQUITY SDN BHD

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	102,000	60.00
Sarena Cheah Yean Tih	25,500	15.00
Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ⁽ⁱ⁾	68,000	40.00
Sarena Cheah Yean Tih ^(h)	102,000	60.00

DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY, SUNWAY GLOBAL LIMITED

Name of Director	Ordinary Shares of HKD1.00 each	
	No.	%
Direct interest		
Tan Sri Dato' (Dr.) Chew Chee Kin	689,183	0.24

DIRECTORS' INTERESTS IN SHARES AND WARRANTS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2023

DIRECTORS' INTERESTS IN SUNWAY'S RELATED COMPANY, SUNWAY CONSTRUCTION GROUP BERHAD

Name of Directors	Ordinary Shares	
	No.	%
Direct interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	7,923,892	0.61
Sarena Cheah Yean Tih	57,727	#
Deemed interest		
Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO ⁽ⁱ⁾	833,629,588	64.65
Sarena Cheah Yean Tih ^(k)	841,482,416	65.26

NOTES:

- (a) Deemed interest by virtue of Section 8 of the Companies Act 2016 (the "Act") held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd and children.
- (b) Deemed interest by virtue of Section 59(11)(c) of the Act held through spouse.
- (c) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd, spouse and parent.
- (d) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd and children.
- (e) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, spouse and parent.
- (f) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd and children.
- (g) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd and parent.
- (h) Deemed interest by virtue of Section 8 of the Act held through parent.
- (i) Deemed interest by virtue of Section 8 of the Act held through children.
- (j) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd and children.
- (k) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Sunway Berhad, Sunway Holdings Sdn Bhd, spouse and parent.
- # Negligible

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

Type of securities	: Ordinary shares
Issued shares	: 4,934,081,818
Treasury shares	: 45,004,665
Voting rights	: One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares Held
Less than 100	3,744	15.60	130,093	#
100 - 1,000	3,527	14.70	1,794,002	0.04
1,001 - 10,000	11,614	48.41	48,404,007	0.99
10,001 - 100,000	4,451	18.55	119,753,760	2.45
100,001 - Less than 5% of issued shares	651	2.71	2,373,566,788	48.55
5% and above of issued shares	6	0.03	2,345,428,503	47.97
	23,993	100.00	4,889,077,153*	100.00

NOTES:

* Less than 0.01%

* Exclude a total of 45,004,665 treasury shares retained by the Company as per record of depositors as at 31 March 2023.

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(Excluding 45,004,665 treasury shares)

	Name of Shareholders	No. of Shares	%
1	Sungei Way Corporation Sendirian Berhad	700,729,795	14.33
2	Public Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (BSY)	540,000,000	11.05
3	Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Sungei Way Corporation Sdn Bhd	272,700,000	5.58
4	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	271,656,029	5.56
5	HSBC Nominees (Tempatan) Sdn Bhd - HBAP for Sungei Way Corporation Sendirian Berhad (PB-SGDIV)	250,000,000	5.11
6	RHB Nominees (Tempatan) Sdn Bhd - RHB Asset Management Sdn Bhd for Sungei Way Corporation Sdn Bhd	250,000,000	5.11
7	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	241,986,357	4.95
8	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd T2	188,000,000	3.85
9	Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd	140,000,000	2.86
10	HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	136,564,992	2.79
11	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd.	119,204,111	2.44

Sunway Berhad

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ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

THIRTY LARGEST SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

(Excluding 45,004,665 treasury shares)

Name of Shareholders	No. of Shares	%
12 Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Active Equity Sdn Bhd	100,000,000	2.05
13 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account - HBAP SG for Cheah Fook Ling (PB-SGDIV)	91,809,000	1.88
14 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	66,866,400	1.37
15 Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	65,185,096	1.33
16 Active Equity Sdn Bhd	63,950,000	1.31
17 Sungei Way Corporation Sendirian Berhad	60,342,679	1.23
18 Jef-San Enterprise Sdn Bhd	52,636,237	1.08
19 Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 14)	47,682,649	0.98
20 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AHAM AM)	47,119,790	0.96
21 Maybank Securities Nominees (Asing) Sdn Bhd - Exempt AN for Maybank Securities Pte Ltd (A/C 648617)	42,077,200	0.86
22 Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	29,136,800	0.60
23 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)	27,095,400	0.55
24 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (ASIANISLAMIC)	25,521,102	0.52
25 CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Growth Fund	24,771,168	0.51
26 Permodalan Nasional Berhad	24,674,400	0.50
27 Kumpulan Wang Persaraan (Diperbadankan)	23,958,512	0.49
28 Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	22,835,696	0.47
29 Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	21,652,267	0.44
30 HSBC Nominees (Asing) Sdn Bhd - JPMSE LUX for Aviva Investors	21,409,182	0.44

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of Shares	%
1 Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO		
• Direct interest	115,206,913	2.36
• Deemed interest ^(a)	3,036,023,520	62.10
2 Puan Sri Datin Seri (Dr.) Susan Cheah Seok Cheng		
• Deemed interest ^(b)	3,151,230,433	64.45
3 Sarena Cheah Yean Tih		
• Direct interest	5,248,592	0.11
• Deemed interest ^(c)	3,141,789,417	64.26
4 Evan Cheah Yean Shin		
• Direct interest	4,195,196	0.09
• Deemed interest ^(d)	3,141,786,645	64.26
5 Adrian Cheah Yean Sun		
• Deemed interest ^(d)	3,141,786,645	64.26
6 Sungei Way Corporation Sdn Bhd		
• Direct interest	2,809,993,495	57.47
7 Active Equity Sdn Bhd		
• Direct interest	163,950,000	3.35
• Deemed interest ^(e)	2,809,993,495	57.47
8 Employees Provident Fund Board	416,073,269	8.51

NOTES:

(a) Deemed interest by virtue of Section 8 of the Companies Act 2016 (the "Act") held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd and children.

(b) Deemed interest by virtue of shareholdings held by spouse and children.

(c) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd, spouse and parent.

(d) Deemed interest by virtue of Section 8 of the Act held through Active Equity Sdn Bhd, Sungei Way Corporation Sdn Bhd, Jef-San Enterprise Sdn Bhd and parent.

(e) Deemed interest by virtue of Section 8 of the Act held through Sungei Way Corporation Sdn Bhd.

Sunway Berhad

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ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Type of securities	: Irredeemable Convertible Preference Shares ("ICPS")
Issued ICPS	: 977,779,351
Voting rights	: No voting rights
Issue price	: RM1.00
Conversion price	: RM1.00
Maturity date	: 2 December 2025 (50% mandatorily to be converted on 2 December 2024 and the balance on 2 December 2025)

DISTRIBUTION OF ICPS HOLDINGS

Size of ICPS Holdings	No. of ICPS Holders	% of ICPS Holders	No. of ICPS Held	% of ICPS Held
Less than 100	254	4.27	9,241	#
100 - 1,000	1,659	27.89	1,012,572	0.10
1,001 - 10,000	2,955	49.67	11,114,886	1.14
10,001 - 100,000	907	15.24	27,906,216	2.85
100,001 - less than 5% of issued ICPS	170	2.86	265,067,156	27.11
5% and above issued ICPS	4	0.07	672,669,280	68.80
	5,949	100.00	977,779,351	100.00

NOTE:

Less than 0.01%

THIRTY LARGEST ICPS HOLDERS AS PER RECORD OF DEPOSITORS

Name of ICPS Holders	No. of ICPS	%
1 Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd	300,000,000	30.68
2 Pacific Trustees Berhad for Sungei Way Corporation Sdn Bhd T2	205,000,000	20.97
3 Sungei Way Corporation Sendirian Berhad	73,756,162	7.54
4 Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	63,720,583	6.52
5 Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	42,248,639	4.32
6 Sunway Education Group Sdn Bhd	36,325,300	3.72
7 Active Equity Sdn Bhd	31,310,000	3.20
8 Sungei Way Corporation Sendirian Berhad	30,192,535	3.09
9 Siow Moon Yeow	19,482,400	1.99
10 Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	10,126,019	1.04
11 Maybank Securities Nominees (Asing) Sdn Bhd - Exempt AN for Maybank Securities Pte Ltd (A/C 648617)	8,535,560	0.87
12 Khoo Chai Pek	7,297,900	0.75
13 Cartaban Nominees (Tempatan) Sdn Bhd - PAMB for Prulink Equity Fund	5,269,778	0.54
14 Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Khoo Loon Im (PB)	5,249,900	0.54
15 Hong Leong Assurance Berhad - AS Beneficial Owner (Life PAR)	4,044,346	0.41
16 HSBC Nominees (Asing) Sdn Bhd - JPMSE LUX for Aviva Investors	3,854,196	0.39
17 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd.	3,235,646	0.33

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023**THIRTY LARGEST ICPS HOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)**

Name of ICPS Holders	No. of ICPS	%
18 UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Kwee Hock	3,179,400	0.33
19 Jef-San Enterprise Sdn Bhd	3,103,047	0.32
20 Permodalan Nasional Berhad	2,915,300	0.30
21 Tye Lim Huat	2,782,000	0.28
22 Citigroup Nominees (Tempatan) Sdn Bhd - UBS AG Singapore for Toh Hooi Hak	2,555,800	0.26
23 Tye Yong Pou	2,500,000	0.26
24 Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ng Yoke Yen (7002612)	2,345,000	0.24
25 Dato' Tan Kia Loke	2,172,300	0.22
26 SWL Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chew Chee Kin	2,147,565	0.22
27 Khoo Chai Ee	2,115,000	0.22
28 Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Mary Tan @ Tan Hui Ngoh (STF)	2,104,900	0.22
29 Tan Sri Dato' (Dr.) Chew Chee Kin	2,060,127	0.21
30 UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged securities account for Teo Siew Lai	2,020,900	0.21

Sunway Berhad

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ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2023

Type of securities : Warrants 2017/2024
 Issue date : 4 October 2017
 Maturity date : 3 October 2024

DISTRIBUTION OF WARRANT HOLDINGS

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants Held	% of Warrants Held
Less than 100	3,323	25.61	90,902	0.01
100 - 1,000	5,548	42.75	2,692,490	0.40
1,001 - 10,000	3,075	23.70	9,734,678	1.45
10,001 - 100,000	784	6.04	24,336,334	3.64
100,001 - less than 5% of issued warrants	243	1.87	164,115,797	24.52
5% and above issued warrants	4	0.03	468,393,341	69.98
	12,977	100.00	669,363,542	100.00

THIRTY LARGEST WARRANT HOLDERS AS PER RECORD OF DEPOSITORS

Name of Warrant Holders	No. of Warrants	%
1 Sungei Way Corporation Sendirian Berhad	238,963,648	35.70
2 Sungei Way Corporation Sendirian Berhad	113,344,515	16.93
3 HSBC Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sdn Bhd (302-036306-089)	45,083,976	6.74
4 RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Sungei Way Corporation Sendirian Berhad	36,389,209	5.44
5 Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling AO	34,536,683	5.16
6 Khoo Chai Pek	9,141,875	1.37
7 CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Khoo Chai Pek (MY1030)	7,797,721	1.16
8 RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Wong Yee Hui	7,791,323	1.16
9 CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ng Hok Long @ Ng Hock Leong (EMPIRE-CL)	7,325,368	1.09
10 Ng Kok Hin	6,497,526	0.97
11 CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Ng Kok Hin (KDMSR-CL)	5,466,787	0.82
12 Maybank Securities Nominees (Asing) Sdn Bhd - Maybank Securities Pte Ltd for Lim Chuan Seng	5,340,040	0.80

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2023

THIRTY LARGEST WARRANT HOLDERS AS PER RECORD OF DEPOSITORS (CONTD.)

Name of Warrant Holders	No. of Warrants	%
13 Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged securities account for Mary Tan @ Tan Hui Ngoh (STF)	4,911,800	0.73
14 Ng Hok Long @ Ng Hock Leong	4,885,826	0.73
15 Amanahraya Trustees Berhad - Public Ittikal Sequel Fund	3,878,919	0.58
16 Khoo Chai Heng	3,686,680	0.55
17 Public Invest Nominees (Asing) Sdn Bhd - Exempt AN for Phillip Securities Pte Ltd (Clients)	3,490,113	0.52
18 HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	3,473,743	0.52
19 CGS-CIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Oon Hock Teck (The Curve-CL)	3,105,618	0.46
20 RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged securities account for Susy Ding (CEB)	2,338,862	0.35
21 HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	2,251,901	0.34
22 Tan Chon Seng	2,238,000	0.33
23 RHB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Susy Ding	2,001,040	0.30
24 Peng Guan Xiang	1,881,651	0.28
25 Susy Ding	1,859,999	0.28
26 CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Malaysian Inc Fund	1,552,857	0.23
27 Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged securities account for Chew Kim Hwa (6000110)	1,532,200	0.23
28 Wilfred Koh Seng Han	1,510,985	0.23
29 Ee Li Chen	1,469,533	0.22
30 Permodalan Nasional Berhad	1,462,071	0.22



Registration No. 201001037627 (921551-D)
(Incorporated in Malaysia)

NOTICE OF 13TH ANNUAL GENERAL MEETING

NOTICE OF 13TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 13th Annual General Meeting ("AGM") of **SUNWAY BERHAD** ("**Sunway**" or the "**Company**") will be held virtually through live streaming and online remote voting at the Broadcast Venue at the Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 22 June 2023 at 3:00 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon.
(Please refer to Explanatory Note No. 1)
2. To approve the payment of Directors' and Board Committees' fees amounting to RM1,177,438.35 to the Non-Executive Directors for the financial year ended 31 December 2022. (Ordinary Resolution 1)
3. To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM600,000.00 from 23 June 2023 until the conclusion of the next AGM of the Company. (Ordinary Resolution 2)
4. To re-elect the following Directors:-
 - 4.1 Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling who retires by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 3)
 - 4.2 Dr. Philip Yeo Liat Kok who retires by rotation pursuant to Clause 106(1) of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 4)

Tan Sri Dato' Dr. Lin See Yan who also retires by rotation pursuant to Clause 106(1) of the Company's Constitution, has expressed his intention not to seek for re-election. Hence, he will retain office until the close of the 13th AGM.
5. To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. (Ordinary Resolution 5)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. ORDINARY RESOLUTION:

Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

"**THAT** subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to allot and issue new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s)

whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being **AND THAT** the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing and quotation of the additional shares so allotted on Bursa Securities **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016, read together with Clause 49(1) of the Company's Constitution, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new ordinary shares in the Company arising from the allotment and issuance of new ordinary shares pursuant to the exercise of authority granted pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Directors of the Company are exempted from the obligation to offer such new ordinary shares first to the existing shareholders of the Company, provided however that if following the passing of this resolution, this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect." (Ordinary Resolution 6)

7. ORDINARY RESOLUTION:

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"**THAT** approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions from time to time, which are necessary for the day-to-day operations as set out in Section 2D of the Circular to Shareholders dated 28 April 2023 which are of a revenue or trading nature and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company, subject to the compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 (the "**Act**"), the Company's Constitution and all other applicable laws, guidelines, rules and regulations.

THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company at which time the mandate will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." (Ordinary Resolution 7)

NOTICE OF 13TH ANNUAL GENERAL MEETING

8. ORDINARY RESOLUTION:

Proposed Renewal of Shares Buy-Back Authority

“THAT subject to the Companies Act 2016 (the “Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant authorities, the Company be and is hereby authorised to purchase such amount of shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company PROVIDED THAT:-

- (a) the aggregate number of shares in the Company (“Sunway Shares”) which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time, subject to a restriction that the share capital of the Company does not fall below the applicable minimum share capital requirements of the Main Market Listing Requirements of Bursa Securities;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Sunway Shares shall not exceed the Company’s retained profits at any point of time;
- (c) the authority conferred by this resolution will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting (“AGM”) at which time it shall lapse unless by Ordinary Resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (iii) revoked or varied by Ordinary Resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first; and

- (d) upon completion of the purchase(s) of the Sunway Shares by the Company, the Directors of the Company be and are hereby authorised to cancel the Sunway Shares so purchased or to retain the Sunway Shares so purchased as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act), or to retain part of the Sunway Shares so purchased as treasury shares and cancel the remainder and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the purchase(s) of the Sunway Shares with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

(Ordinary Resolution 8)

9. ORDINARY RESOLUTION:

Proposed renewal of the authority for Directors to allot and issue new ordinary shares in the Company (“Sunway Shares”) in relation to the Dividend Reinvestment Scheme that provides the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in Sunway Shares

“THAT pursuant to the Dividend Reinvestment Scheme (“DRS”) approved at the Extraordinary General Meeting held on 26 June 2014, approval be and is hereby given to the Company to allot and issue such number of new Sunway Shares for the DRS until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Sunway Shares shall be fixed by the Directors at not more than 10% discount to the adjusted 5-market day volume weighted average market price (“VWAMP”) of Sunway Shares immediately preceding the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price.

AND THAT the Directors and the Company Secretary be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 9)

By Order of the Board

TAN KIM AUN (SSM PC NO. 202008001249) (MAICSA 7002988)
CHIN LEE CHIN (SSM PC NO. 202008001355) (MAICSA 7012347)
 Company Secretaries

Bandar Sunway
 28 April 2023

NOTES:

- (1) The 13th Annual General Meeting (“AGM”) will be conducted virtually through live streaming and online remote voting using Remote Participation and Electronic Voting (“RPEV”) facilities provided by the appointed Poll Administrator for the AGM, Boardroom Share Registrars Sdn Bhd (“Boardroom”). The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the Meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public shall be physically present at the Broadcast Venue on the day of the AGM. Shareholders who wish to participate, speak (in the form of real-time submission of typed texts) and vote remotely at the AGM will have to register via the link at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Details for the 13th AGM for further information. Only shareholders whose names appear on the Record of Depositors as at 15 June 2023 will be entitled to participate at this AGM or appoint a proxy to participate on his/her behalf.
- (2) A shareholder of the Company who is entitled to participate, speak and vote remotely at the AGM, may appoint more than 1 proxy to attend and vote instead of the shareholder at the AGM. A proxy needs not be a shareholder.
- (3) Where a shareholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (4) Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) Where a shareholder appoints more than 1 proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate, speak and vote at the AGM shall have the same rights as the shareholder to speak at the AGM.
- (6) If a shareholder has appointed a proxy to attend a meeting and subsequently, the appointer decides to attend instead of the proxy, the appointer has to revoke the appointment of proxy in writing/email which must reach Boardroom not later than 24 hours before the Meeting. The appointed proxy shall therefore be null and void.

NOTICE OF 13TH ANNUAL GENERAL MEETING

- (7) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or the hand of its officer or attorney duly authorised.
- (8) The instrument appointing a proxy must be deposited at the office of the Poll Administrator, **Boardroom at 11th Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia** not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof, either by hand, post or email to bsr.helpdesk@boardroomlimited.com. You also have the option to lodge the appointment of proxy electronically via "Boardroom Smart Investor Portal" at <https://boardroomlimited.com> ("e-Proxy Lodgement") no later than 21 June 2023 at 3:00 p.m.. For further information on the e-Proxy Lodgement, please refer to the Administrative Details for the 13th AGM.
- (9) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

EXPLANATORY NOTES ON:

(i) Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provisions of Section 340(1) of the Companies Act 2016 (the "Act"). As such, this agenda will not be put for voting.

2. Ordinary Resolutions 1 and 2

Section 230(1) of the Act provides amongst others, that fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for the payment of fees and benefits payable to the Non-Executive Directors ("NEDs"), in two (2) separate resolutions as follows:

(a) Ordinary Resolution 1 - To approve the payment of the Directors' and Board Committees' fees amounting to RM1,177,438.35 to the NEDs for the financial year ended 31 December 2022

The proposed fees to be paid to the NEDs is based on the following fees structure as approved at the previous Annual General Meetings of the Company:

	Board (RM/annum)	Audit Committee (RM/annum)	Nomination and Remuneration Committee (RM/annum)	Risk Committee (RM/annum)
Chairperson	360,000	25,000	10,000	10,000
Member	120,000	15,000	5,000	5,000

There is no revision to the proposed fees.

(b) Ordinary Resolution 2 - To approve the payment of benefits payable to the NEDs of up to an amount of RM600,000.00 from 23 June 2023 until the conclusion of the next Annual General Meeting ("AGM") of the Company

The benefits payable to the NEDs of the Company comprises meeting allowance of RM1,000 per meeting for attending the Board and Board Committee Meetings.

The payment of the Directors' fees and Board Committees' fees for the financial year 2022 will be made upon the shareholders' approval. As for the benefits payable to the NEDs for the period commencing from 23 June 2023 until the next AGM, they will be paid as and when they are incurred. The Board opined that the payments to the NEDs are just and equitable taking into account their roles and responsibilities towards the Company and the services that they have rendered to the Company.

NEDs who are shareholders of the Company will abstain from voting on the aforesaid resolutions at the 13th AGM.

3. Ordinary Resolutions 3 to 4 - To re-elect Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dr. Philip Yeo Liat Kok as Directors of the Company

Clause 106(1) of the Company's Constitution provides that one-third or the number nearest to one-third of the Directors of the Company (including Managing Director) for the time being shall retire by rotation at each AGM of the Company. Each Director shall retire from office once at least in each three years but shall be eligible for re-election.

NOTICE OF 13TH ANNUAL GENERAL MEETING

Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling and Dr. Philip Yeo Liat Kok being eligible, have offered themselves for re-election at the 13th AGM.

The Nomination and Remuneration Committee ("NRC") has assessed the performance and contribution of the retiring Directors, as well as the independence of the Independent Director seeking for re-election at the 13th AGM inclusive of their skills, experience, character, integrity, competency, commitment and contribution. Based on the findings of the Board and Board Committee Evaluation for the financial year ended 2022, the performance and contribution of the retiring Directors were found to be satisfactory and they are competent and able to discharge their fiduciary duties as Directors of the Company. NRC is satisfied that the retiring Directors meet the fit and proper criteria as set out in the Fit and Proper Policy. The retiring NED also complied and satisfied the independence criteria as required by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

Based on the above, the Board had endorsed the recommendation of the NRC to seek the shareholders' approval for the re-election of the retiring Directors.

All Directors standing for re-election have abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant NRC and Board Meetings. They will continue to abstain from voting on their own re-election at the 13th AGM.

The profiles of Directors seeking for re-elections at the 13th AGM are set out in the Profile of the Board of Directors on pages 98 to 109 of the Company's Integrated Annual Report 2022.

4. Ordinary Resolution 5 – To re-appoint Messrs. BDO PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration

Based on the results of the External Auditors Evaluation for the financial year ended 31 December 2022 and the Audit Committee's recommendation, the Board had at its meeting held on 12 April 2023, approved the re-appointment of Messrs. BDO PLT ("BDO") as Auditors of the Company on the basis that BDO had satisfactorily performed their audit and that BDO had discharged their professional responsibilities in accordance with its rules on professional conduct and ethics and the By-Laws (on Professional Ethics, Conducts and Practice) issued by the Malaysian Institute of Accountants.

The Board was also satisfied that the provisions of non-audit services by BDO to the Company for the financial year ended 31 December 2022 did not in any way impair their objectivity and independence as External Auditors of the Company.

(ii) Special Business

5. Ordinary Resolution 6 - Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Company is always on the look out for investment opportunities to enhance the earnings potential of the Company. If any investment opportunities involve issuance of new shares, the Directors, under present circumstances, would have to convene a general meeting to approve the issuance of new shares even though the number involved may be less than 10% of the total number of issued shares of the Company.

In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is thus considered appropriate that the Directors be empowered to issue new shares in the Company, up to an amount not exceeding in total 10% of the total number of issued shares of the Company at any time, for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The renewal of this mandate will provide flexibility to the Company for any potential fund raising activities, including but not limited to placement of shares, for purpose of funding current and/or future investments, working capital, acquisition, repayment of borrowings, operational expenditure and/or such other applications as they may in their absolute discretion deem fit.

Pursuant to Section 85 of the Act, read together with Clause 49(1) of the Company's Constitution, shareholders have pre-emptive rights to be offered new shares in the Company which rank equally to the existing shares of the Company.

By voting in favour of this Resolution, shareholders of the Company agree to waive their pre-emptive rights under Section 85 of the Act read together with Clause 45(1) of the Constitution of the Company, to be offered new shares which may be issued by the Company pursuant to this general mandate.

Sunway Berhad

NOTICE OF 13TH ANNUAL GENERAL MEETING

At this juncture, there is no decision to issue new shares under this general mandate. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 12th AGM held on 23 June 2022.

6. Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The details on the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature are set out in the Circular to Shareholders dated 28 April 2023.

7. Ordinary Resolution 8 - Proposed Renewal of Shares Buy-Back Authority

The details on the proposed renewal of Shares Buy-Back authority by the Company are set out in the Statement to Shareholders dated 28 April 2023.

8. Ordinary Resolution 9 - Proposed Renewal of the authority for Directors to allot and issue new ordinary shares in the Company ("Sunway Shares") in relation to the Dividend Reinvestment Scheme that provides the shareholders of the Company with the option to elect to reinvest their cash dividend entitlements in Sunway Shares

This proposed Ordinary Resolution 9 will give authority to the Directors to allot and issue ordinary shares in the Company in respect of dividends to be declared, if any, under the Dividend Reinvestment Scheme, until the conclusion of the next AGM. A renewal of this authority will be sought at the subsequent AGM.

PERSONAL DATA PRIVACY

By lodging a completed Proxy Form of Sunway for appointing a proxy(ies) and/or representative(s) to participate and vote remotely at the 13th AGM and any adjournment thereof, a shareholder of the Company hereby:

- (i) consents to the processing of the shareholder's personal data by the Company (or its agents) for the 13th AGM and matters related thereto, including but not limited to: (a) for processing and administration of proxies and representatives appointed for the 13th AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 13th AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes");
- (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to Sunway (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by Sunway (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes ("Warranty"); and
- (iii) agrees that the shareholder will fully indemnify Sunway for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the shareholder's failure to provide accurate and correct information of the personal data or breach of the shareholder's undertaking and/or Warranty.

For the purposes of this paragraph, "personal data" and "processing" shall have the same meaning given in section 4 of the Personal Data Protection Act 2010.

PROXY FORM
13th Annual General Meeting



SUNWAY BERHAD
Registration No. 201001037627 (921551-D)
(Incorporated in Malaysia)

Number of share(s) held	
CDS Account No.	

*I/We (Full Name) *NRIC/Passport/Registration No.

of (full address)

having Tel./Mobile No. and email address

being a member of SUNWAY BERHAD and entitled to vote, hereby appoint:-

Full Name	NRIC No./Passport No.	Proportion of shareholdings represented	
Mobile No.	Email Address	No. of shares	%

and/or failing *him/her,

Full Name	NRIC No./Passport No.	Proportion of shareholdings represented	
Mobile No.	Email Address	No. of shares	%

or failing *him/her, the Chairperson of the Meeting as *my/our proxy to participate and vote for *me/us on *my/our behalf at the 13th Annual General Meeting of the Company to be held virtually from the Broadcast Venue at the Penthouse, Level 20, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Thursday, 22 June 2023 at 3:00 p.m. and at any adjournment thereof. My/our proxy/proxies shall vote as follows:-

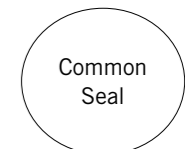
* Strike out whichever not applicable

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' and Board Committees' fees		
2.	To approve the payment of benefits payable to the Non-Executive Directors		
3.	To re-elect Tan Sri Dato' Seri Dr. Jeffrey Cheah Fook Ling as Director		
4.	To re-elect Dr. Philip Yeo Liat Kok as Director		
5.	To re-appoint Messrs. BDO PLT as Auditors and to authorise the Directors to fix their remuneration		
6.	To authorise the issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7.	To approve the proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature		
8.	To approve the proposed renewal of Shares Buy-Back authority		
9.	To approve the proposed renewal of the authority for Directors to allot and issue new ordinary shares in relation to the Dividend Reinvestment Scheme		

Please indicate with an "x" in the appropriate space how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting on the resolutions at his/her discretion.

Dated this..... day of 2023

Signature of Member.....



NOTES:

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PLEASE FOLD HERE

STAMP

SUNWAY BERHAD

(Registration No. 201001037627 (921551-D))

c/o. Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan

PLEASE FOLD HERE

Personal Data Privacy:

By lodging a completed proxy form to the Company for appointing proxy(ies) and/or representative(s) to participate and vote in person at the 13th AGM of the Company and any adjournment thereof, the shareholder accepts and agrees to the use of such data for purposes of processing and administration by the Company (or its agents), and to comply with any laws, listing rules, regulations and/or guidelines. The shareholder agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.



SUNWAY BERHAD

[Registration No. 201001037627 (921551-D)]

Level 16, Menara Sunway,
Jalan Lagoon Timur, Bandar Sunway,
47500 Subang Jaya, Selangor Darul Ehsan,
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