

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2020

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	INCREASE/ (DECREASE)
		QUARTER 31/03/2020	QUARTER 31/03/2019		31/03/2020	31/03/2019	
		RM'000	RM'000	%	RM'000	RM'000	%
REVENUE		971,439	1,123,609	(14%)	971,439	1,123,609	(14%)
OPERATING EXPENSES		(963,684)	(1,032,356)	(7%)	(963,684)	(1,032,356)	(7%)
OTHER OPERATING INCOME		36,965	26,510	39%	36,965	26,510	39%
PROFIT FROM OPERATIONS		44,720	117,763	(62%)	44,720	117,763	(62%)
FINANCE INCOME		83,589	78,721	6%	83,589	78,721	6%
FINANCE COSTS		(59,121)	(60,929)	(3%)	(59,121)	(60,929)	(3%)
SHARE OF PROFIT FROM ASSOCIATES		30,703	30,448	1%	30,703	30,448	1%
SHARE OF PROFIT FROM JOINT VENTURES		7,929	11,263	(30%)	7,929	11,263	(30%)
PROFIT BEFORE TAX		107,820	177,266	(39%)	107,820	177,266	(39%)
INCOME TAX EXPENSE	B5	(17,516)	(25,320)	(31%)	(17,516)	(25,320)	(31%)
PROFIT FOR THE PERIOD		90,304	151,946	(41%)	90,304	151,946	(41%)
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		78,294	136,412	(43%)	78,294	136,412	(43%)
- NON-CONTROLLING INTERESTS		12,010	15,534	(23%)	12,010	15,534	(23%)
		90,304	151,946	(41%)	90,304	151,946	(41%)
EARNINGS PER SHARE							
(i) BASIC (sen)		1.35	2.70	(50%)	1.35	2.70	(50%)
(ii) DILUTED (sen)		1.35	2.70	(50%)	1.35	2.70	(50%)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2020	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2019	CURRENT YEAR TO DATE 31/03/2020	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2019
	RM'000	RM'000	RM'000	RM'000
PROFIT FOR THE PERIOD	90,304	151,946	90,304	151,946
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	14,004	1,990	14,004	1,990
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS				
- FAIR VALUE OF DERIVATIVES	11,599	21,670	11,599	21,670
- AMOUNT RECYCLED TO PROFIT OR LOSS	(20,041)	(15,145)	(20,041)	(15,145)
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FAIR VALUE GAIN ON OTHER INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	44,765	-	44,765
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	20	3,451	20	3,451
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	5,582	56,731	5,582	56,731
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	95,886	208,677	95,886	208,677
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	82,825	193,420	82,825	193,420
- NON-CONTROLLING INTERESTS	13,061	15,257	13,061	15,257
	95,886	208,677	95,886	208,677

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2020 RM'000	IMMEDIATE PRECEDING QUARTER 31/12/2019 RM'000	INCREASE/ (DECREASE) %
REVENUE	971,439	1,352,998	(28%)
OPERATING EXPENSES	(963,684)	(1,335,369)	(28%)
OTHER OPERATING INCOME	36,965	89,115	(59%)
PROFIT FROM OPERATIONS	<u>44,720</u>	<u>106,744</u>	(58%)
FINANCE INCOME	83,589	104,930	(20%)
FINANCE COSTS	(59,121)	(39,824)	48%
SHARE OF PROFIT FROM ASSOCIATES	30,703	54,453	(44%)
SHARE OF PROFIT FROM JOINT VENTURES	7,929	34,859	(77%)
PROFIT BEFORE TAX	<u>107,820</u>	<u>261,162</u>	(59%)
INCOME TAX EXPENSE	(17,516)	(41,452)	(58%)
PROFIT FOR THE PERIOD	<u>90,304</u>	<u>219,710</u>	(59%)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	78,294	200,931	(61%)
- NON-CONTROLLING INTERESTS	<u>12,010</u>	<u>18,779</u>	(36%)
	<u>90,304</u>	<u>219,710</u>	(59%)
EARNINGS PER SHARE			
(i) BASIC (sen)	<u>1.35</u>	<u>3.81</u>	(64%)
(ii) DILUTED (sen)	<u>1.35</u>	<u>3.81</u>	(64%)

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2020 RM'000	IMMEDIATE PRECEDING QUARTER 31/12/2019 RM'000
PROFIT FOR THE PERIOD	90,304	219,710
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION	14,004	8,531
CASH FLOW HEDGE RESERVE - FAIR VALUE GAINS/(LOSSES)		
- FAIR VALUE OF DERIVATIVES	11,599	(18,306)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(20,041)	17,529
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	20	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	5,582	7,754
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	95,886	227,464
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	82,825	209,106
- NON-CONTROLLING INTERESTS	13,061	18,358
	95,886	227,464

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

	AS AT END OF CURRENT QUARTER 31/03/2020 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,784,478	2,749,044
Intangible assets	19,634	19,833
Investment properties	2,352,938	2,327,617
Inventories	1,717,129	1,674,576
Investment in associates	2,102,982	2,123,840
Investment in joint ventures	1,683,769	1,627,026
Goodwill	311,808	311,808
Deferred tax assets	69,792	66,722
Receivables	1,667,640	1,478,793
Derivative assets	6,197	-
Rock reserves	5,542	5,605
Other investments	10,510	5,023
Biological assets	99	121
	12,732,518	12,390,008
Current assets		
Contract assets	90,545	76,230
Inventories	2,085,313	2,102,056
Receivables, deposits & prepayments	3,240,601	3,014,764
Placement in funds	3,005,090	3,627,369
Cash and bank balances	2,951,963	2,261,539
Tax recoverable	80,099	79,257
Derivative assets	18,204	1,925
	11,471,815	11,163,140
TOTAL ASSETS	24,204,333	23,553,148
EQUITY AND LIABILITIES		
Current liabilities		
Payables, accruals & other current liabilities	2,412,647	2,716,813
Contract liabilities	88,637	43,529
Bank borrowings	8,112,049	8,026,821
Lease liabilities	67,342	67,836
Taxation	15,582	5,480
Derivative liabilities	26,164	17,730
	10,722,421	10,878,209
Non-current liabilities		
Long term bank borrowings	2,152,451	1,543,739
Lease liabilities	752,419	767,028
Other long term liabilities	538,637	59,414
Derivative liabilities	-	187
Deferred taxation	131,239	130,304
	3,574,746	2,500,672
Total liabilities	14,297,167	13,378,881
Equity attributable to Owners of the Parent		
Share capital	5,393,667	5,393,666
Treasury shares	(57,191)	(53,324)
Reserves	3,123,980	3,052,526
	8,460,456	8,392,868
PERPETUAL SUKUK	800,000	1,150,000
NON-CONTROLLING INTERESTS	646,710	631,399
Total equity	9,907,166	10,174,267
TOTAL EQUITY AND LIABILITIES	24,204,333	23,553,148
Number of ordinary shares ('000)	4,901,382	4,903,731
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.73	1.71

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

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 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	----- ----- ATTRIBUTABLE TO OWNERS OF THE PARENT ----- -----									TOTAL EQUITY ATTRIBUTABLE TO OWNERS				
	----- ----- NON-DISTRIBUTABLE ----- -----			RESERVES			DISTRIBUTABLE							
	SHARE CAPITAL	TREASURY SHARES	NEGATIVE MERGER RESERVE	FOREIGN EXCHANGE RESERVE	SHARE OPTION RESERVE	CASH FLOW HEDGE RESERVE	FURNITURE & FITTINGS RESERVE	OTHER RESERVES	RETAINED PROFITS	TOTAL RESERVES	OF THE PARENT	PERPETUAL SUKUK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
PERIOD ENDED 31 MARCH 2020														
At 1 January 2020	5,393,666	(53,324)	(1,192,040)	131,185	-	(16,535)	20,569	195,212	3,914,135	3,052,526	8,392,868	1,150,000	631,399	10,174,267
Profit for the year	-	-	-	-	-	-	-	-	78,294	78,294	78,294	-	12,010	90,304
Other comprehensive income	-	-	-	12,953	-	(8,442)	-	20	-	4,531	4,531	-	1,051	5,582
Total comprehensive income	-	-	-	12,953	-	(8,442)	-	20	78,294	82,825	82,825	-	13,061	95,886
Transfer to furniture & fittings reserve	-	-	-	-	-	-	1,080	-	(1,044)	36	36	-	(36)	-
Transactions with owners														
Issuance of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	-	400,000	-	400,000
Issuance of ordinary shares pursuant to - exercise of warrants	1	-	-	-	-	-	-	-	-	-	1	-	-	1
Purchase of treasury shares during the year	-	(3,867)	-	-	-	-	-	-	-	-	(3,867)	-	-	(3,867)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,066)	(1,066)
Shares acquired by non-controlling interest	-	-	-	-	-	-	-	-	474	474	474	-	3,352	3,826
Redemption of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	-	(750,000)	-	(750,000)
Distribution paid to holders of perpetual sukuk	-	-	-	-	-	-	-	-	(11,881)	(11,881)	(11,881)	-	-	(11,881)
Total transactions with owners	1	(3,867)	-	-	-	-	-	-	(11,407)	(11,407)	(15,273)	(350,000)	2,286	(362,987)
At 31 March 2020	5,393,667	(57,191)	(1,192,040)	144,138	-	(24,977)	21,649	195,232	3,979,978	3,123,980	8,460,456	800,000	646,710	9,907,166
^ Represents 404 warrants amounting to RM695.														
PERIOD ENDED 31 MARCH 2019														
At 1 January 2019	5,379,437	(140,299)	(1,192,040)	130,421	7,632	(17,681)	16,233	182,306	3,708,354	2,835,225	8,074,363	400,000	619,826	9,094,189
Effects of adopting MFRS 16	-	-	-	-	-	-	-	-	(91,948)	(91,948)	(91,948)	-	(745)	(92,693)
At 1 January 2019	5,379,437	(140,299)	(1,192,040)	130,421	7,632	(17,681)	16,233	182,306	3,616,406	2,743,277	7,982,415	400,000	619,081	9,001,496
Profit for the year	-	-	-	-	-	-	-	-	136,412	136,412	136,412	-	15,534	151,946
Other comprehensive income	-	-	-	2,267	-	6,525	-	48,216	-	57,008	57,008	-	(277)	56,731
Total comprehensive income	-	-	-	2,267	-	6,525	-	48,216	136,412	193,420	193,420	-	15,257	208,677
Transfer to furniture & fittings reserve	-	-	-	-	-	-	371	-	(371)	-	-	-	-	-
Transactions with owners														
Issuance of perpetual sukuk	-	-	-	-	-	-	-	-	-	-	-	600,000	-	600,000
Issuance of ordinary shares pursuant to - exercise of ESOS	716	-	-	-	(114)	-	-	-	-	(114)	602	-	-	602
Purchase of treasury shares during the year	-	(19,748)	-	-	-	-	-	-	-	-	(19,748)	-	-	(19,748)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,225)	(1,225)
Share acquired by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,234	1,234
Distribution paid to holders of perpetual sukuk	-	-	-	-	-	-	-	-	(5,253)	(5,253)	(5,253)	-	-	(5,253)
Total transactions with owners	716	(19,748)	-	-	(114)	-	-	-	(5,253)	(5,367)	(24,399)	600,000	9	575,610
At 31 March 2019	5,380,153	(160,047)	(1,192,040)	132,688	7,518	(11,156)	16,604	230,522	3,747,194	2,931,330	8,151,436	1,000,000	634,347	9,785,783

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

	FOR THE 3 MONTHS PERIOD ENDED 31/03/2020 RM'000	FOR THE 3 MONTHS PERIOD ENDED 31/03/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	107,820	177,266
Adjustments for:		
- non-cash items	(2,468)	(16,132)
- finance costs	59,121	60,929
- finance income	(83,589)	(78,721)
Operating cash flows before working capital changes	80,884	143,342
Changes in working capital	(67,615)	(84,574)
Cash flow generated from operations	13,269	58,768
Interest received	83,589	78,721
Dividend received from joint ventures, associates and other investments	42,649	27,189
Tax refunded	1,979	420
Tax paid	(12,369)	(31,489)
Net cash flow generated from operating activities	129,117	133,609
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and biological assets	709	5,190
Proceeds from dilution of an associate	8,117	-
Proceeds from disposal of shares to non-controlling interest	3,819	1,234
Acquisition of other investment	(5,487)	(8,634)
Acquisition of land	(7,017)	(93,276)
Acquisition of property, plant and equipment, and biological assets	(81,038)	(74,247)
Acquisition and subsequent expenditure of investment properties	(60,833)	(18,861)
Investment in joint ventures	(150)	(4,237)
Investment in associates	-	(100)
Advances to associates and joint ventures	(109,221)	(128,609)
Quasi-equity loan advanced to joint ventures	(38,879)	(111,810)
Proceeds on liquidation of subsidiary	-	224
Proceed from redemption of shares in associate	19,406	-
Net cash used in investing activities	(270,574)	(433,126)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank borrowings	794,911	670,386
Net lease liabilities	(20,068)	(18,522)
Issue of ordinary shares pursuant to exercise of warrants	1	-
Interest paid	(59,121)	(60,929)
Proceeds from issue of shares from exercise of ESOS	-	602
Shares buyback	(3,867)	(19,748)
Dividend paid to non-controlling interests of subsidiaries	(1,066)	(1,225)
Repayment from non-controlling interests of subsidiaries	(13)	16
Issuance of perpetual sukuk	400,000	600,000
Distribution paid to holders of perpetual sukuk	(11,881)	(5,253)
Redemption of perpetual sukuk	(750,000)	-
Interest paid for redemption of perpetual bond	(18,900)	-
Net cash generated from financing activities	329,996	1,165,327
NET INCREASE IN CASH AND CASH EQUIVALENTS	188,539	865,810
EFFECTS OF EXCHANGE RATE CHANGES	1,117	717
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,065,805	2,507,882
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,255,461	3,374,409
Bank overdrafts	69,829	38,276
Short-term investments	3,631,763	2,526,704
Cash and bank balances, and placement in funds	5,957,053	5,939,389

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.)

NOTES TO FINANCIAL STATEMENTS

A1 Accounting Policies and Basis of Preparation

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards ("MFRS") for the financial period ending 31 March 2020.

The interim financial report is unaudited and is prepared in accordance with MFRS134 "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2019 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2020, as disclosed below:

<u>Title</u>	<u>Effective Date</u>
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020

A2 Report of the Auditors

The report of the auditors of preceding annual financial statements was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors except for the leisure and hospitality segments which normally peaks during major festive seasons and holidays.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2020.

A5 Changes in Estimates

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 31 March 2020.

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

During the financial period ended 31 March 2020, the Company increased its issued and paid up ordinary share capital by way of:

- (a) issuance of 404 ordinary shares pursuant to the exercise of warrants.
- (b) the repurchase of equity securities of 2,350,000 ordinary shares, at an average price of RM1.65 per share.

Save for the above, there was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current period under review.

A7 Dividend Paid

Dividend payments made since the last financial year end are as follows:

RM220,562,219 was paid on 22 April 2020 as second interim dividend of 4.5 sen per ordinary share for the financial year ended 31 December 2019.

A8 **Segmental Reporting**

Segmental results for the financial period ended 31 March 2020 are as follows:

	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	Consolidated RM'000
BY BUSINESS SEGMENTS										
REVENUE AND EXPENSES										
Revenue										
Sales to external customers	139,177	134,314	218,027	194,182	74,149	149,203	1,723	60,664	-	971,439
Inter-segment revenue	11,590	38,396	285,429	29,204	7,426	762	25,425	12,684	(410,916)	-
Total revenue	150,767	172,710	503,456	223,386	81,575	149,965	27,148	73,348	(410,916)	971,439
Results										
Operating segment results	26,069	29,698	19,790	2,141	2,322	(907)	(34,633)	240	-	44,720
Finance income	9,905	13,651	5,379	2,811	1,469	2,154	82,225	3,127	(37,132)	83,589
Finance costs	(4,426)	(42,240)	(2,705)	(4,452)	(719)	(5,702)	(33,587)	(2,422)	37,132	(59,121)
Share of results of:										
- associated companies	1	30,505	121	-	-	-	-	76	-	30,703
- joint ventures	7,552	377	-	-	-	-	-	-	-	7,929
Profit/(Loss) before taxation	39,101	31,991	22,585	500	3,072	(4,455)	14,005	1,021	-	107,820
Taxation	(8,341)	(2,369)	(3,944)	214	(468)	(3)	(1,851)	(754)	-	(17,516)
Profit/(Loss) for the period	30,760	29,622	18,641	714	2,604	(4,458)	12,154	267	-	90,304
Non-controlling interests	(4,204)	38	(7,466)	(83)	(661)	(49)	3	412	-	(12,010)
Attributable to owners of the parent	26,556	29,660	11,175	631	1,943	(4,507)	12,157	679	-	78,294

	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000	Attributable to owners of the parent RM'000
BY GEOGRAPHICAL SEGMENTS				
Malaysia	845,234	80,080	63,071	53,940
Singapore	47,974	(1,169)	(1,216)	(403)
China	47,533	(1,247)	(1,375)	(1,423)
India	-	(314)	(314)	(174)
Australia	7,147	7,127	6,838	2,891
Indonesia	10,033	188	215	215
United Kingdom	4,667	23,699	23,652	23,621
Other countries	8,851	(544)	(567)	(373)
	971,439	107,820	90,304	78,294

Segmental results by foreign currency for the financial period ended 31 March 2020 are as follows:

PROPERTY DEVELOPMENT SEGMENT:

	Foreign currency				RM'000			
	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent	Revenue	Profit/(Loss) before tax	Profit/(Loss) after tax	Attributable to owners of the parent
Malaysia Ringgit (RM'000)	122,909	32,946	24,892	24,644	122,909	32,946	24,892	24,644
Australian Dollar (AUD'000)	-	2,737	2,632	1,184	-	7,481	7,194	3,237
Hong Kong Dollar (HKD'000)	-	171	171	171	-	93	93	93
India Rupee (INR'000)	-	(86)	(86)	(86)	-	(5)	(5)	(5)
China Yuan Renminbi (RMB'000)	27,061	(1,003)	(1,003)	(1,003)	16,268	(603)	(603)	(603)
Singapore Dollar (SGD'000)	-	(267)	(267)	(267)	-	(809)	(809)	(809)
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					139,177	39,101	30,760	26,556

PROPERTY INVESTMENT SEGMENT:

Malaysia Ringgit (RM'000)	125,891	7,620	5,298	5,186	125,891	7,620	5,298	5,186
Pound Sterling (GBP'000)	867	4,401	4,393	4,387	4,667	23,699	23,652	23,621
Hong Kong Dollar (HKD'000)	-	2	2	2	-	1	1	1
Singapore Dollar (SGD'000)	-	405	405	405	-	1,226	1,226	1,226
US Dollar (USD'000)	604	(90)	(90)	(47)	2,547	(381)	(381)	(200)
Vietnam Dong (VND'000,000)	6,700	(964)	(964)	(964)	1,209	(174)	(174)	(174)
					134,314	31,991	29,622	29,660

CONSTRUCTION SEGMENT:

Malaysia Ringgit (RM'000)	181,766	24,707	20,763	12,333	181,766	24,707	20,763	12,333
United Arab Emirates Dirham (AED'000)	-	(19)	(19)	(10)	-	(24)	(24)	(13)
India Rupee (INR'000)	-	(5,326)	(5,326)	(2,905)	-	(308)	(308)	(168)
Singapore Dollar (SGD'000)	11,972	(591)	(591)	(323)	36,261	(1,790)	(1,790)	(977)
					218,027	22,585	18,641	11,175

TRADING & MANUFACTURING SEGMENT:

Malaysia Ringgit (RM'000)	131,815	(1,203)	(819)	(753)	131,815	(1,203)	(819)	(753)
Australian Dollar (AUD'000)	2,615	(124)	(124)	(124)	7,147	(338)	(338)	(338)
Indonesia Rupiah (IDR'000,000)	34,756	651	745	745	10,033	188	215	215
China Yuan Renminbi (RMB'000)	47,291	1,688	1,475	1,228	28,430	1,015	887	738
Singapore Dollar (SGD'000)	3,850	281	265	265	11,662	850	803	803
Thai Baht (THB'000)	36,913	1,493	1,327	1,327	4,894	198	176	176
Vietnam Dong (VND'000,000)	1,114	(1,164)	(1,164)	(1,164)	201	(210)	(210)	(210)
					194,182	500	714	631

QUARRY SEGMENT:

Malaysia Ringgit (RM'000)	74,149	3,022	2,554	1,893	74,149	3,022	2,554	1,893
Trinidad & Tobago Dollar (TTD'000)	-	79	79	79	-	50	50	50
					74,149	3,072	2,604	1,943

HEALTHCARE SEGMENT:

Malaysia Ringgit (RM'000)	149,152	(3,808)	(3,811)	(3,860)	149,152	(3,808)	(3,811)	(3,860)
Singapore Dollar (SGD'000)	17	(214)	(214)	(214)	51	(647)	(647)	(647)
					149,203	(4,455)	(4,458)	(4,507)

INVESTMENT HOLDING SEGMENT:

Malaysia Ringgit (RM'000)	1,264	13,959	12,108	12,108	1,264	13,959	12,108	12,108
Hong Kong Dollar (HKD'000)	-	(247)	(247)	(242)	-	(134)	(134)	(131)
China Yuan Renminbi (RMB'000)	764	299	299	299	459	180	180	180
					1,723	14,005	12,154	12,157

OTHERS SEGMENT:

Malaysia Ringgit (RM'000)	58,288	2,818	2,064	2,377	58,288	2,818	2,064	2,377
China Yuan Renminbi (RMB'000)	3,952	(2,989)	(2,989)	(2,825)	2,376	(1,797)	(1,797)	(1,698)
					60,664	1,021	267	679

Segmental assets and liabilities for the financial period ended 31 March 2020 are as follows:

	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	Consolidated RM'000
Assets										
Segment assets	5,815,480	3,524,465	2,078,042	889,013	318,216	1,424,901	16,483,390	795,934	(11,061,750)	20,267,691
Investment in associates	-	2,041,539	-	-	-	-	-	61,443	-	2,102,982
Investment in joint ventures	1,488,362	151,156	44,251	-	-	-	-	-	-	1,683,769
Unallocated assets										149,891
Total assets										24,204,333
Liabilities										
Segment liabilities	4,616,478	4,150,317	1,465,545	615,577	206,015	808,742	12,645,484	625,503	(10,983,315)	14,150,346
Unallocated liabilities										146,821
Total liabilities										14,297,167

A9 **Foreign Currency Rates**

The foreign currency exchange rates used are as follows:

Denomination	Closing rate	Average rate
United Arab Emirates Dirham	1.1821	1.2609
Australian Dollar	2.6709	2.7334
Pound Sterling	5.3527	5.3845
Hong Kong Dollar	0.5596	0.5424
Indonesia Rupiah ('000)	0.2660	0.2887
India Rupee	0.0575	0.0578
Macau Pataca	0.5435	0.5268
China Yuan Renminbi	0.6114	0.6012
Singapore Dollar	3.0500	3.0289
Thai Baht	0.1330	0.1326
US Dollar	4.3380	4.2145
Vietnam Dong ('000)	0.1835	0.1804

Income and expenses are translated at the average rate whereas the assets and liabilities are translated at the closing rate.

A10 **Valuation of Property, Plant and Equipment and Investment Properties**

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A11 **Material events**

There were no material events subsequent to the current quarter ended 31 March 2020 other than the "COVID-19" pandemic which has significant financial impact to the Group, particularly on the leisure and hospitality businesses under Property Investment segment and Healthcare segment of the Group. Kindly refer to the notes to Financial Statements B1, B2 and B3 for more details.

A12 **Changes in the Composition of the Group**

There were no material changes in the composition of the Group for the current quarter ended 31 March 2020.

A13 **Contingent Liabilities and Assets**

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

	31/03/2020 RM'000	31/12/2019 RM'000
Guarantees given to third parties in respect of contracts and trade performance	<u>943,308</u>	<u>949,805</u>

There were no other material changes in contingent liabilities since the last annual reporting date. There were no contingent assets.

A14 **Commitments**

(a) Capital commitment not provided for in the financial year as at 31 March 2020 is as follows:

	31/03/2020 RM'000	31/12/2019 RM'000
Amount authorised and contracted for	272,146	191,650
Amount authorised but not contracted for	<u>279,884</u>	<u>249,000</u>
	<u>552,030</u>	<u>440,650</u>

The Group's share of capital commitments in associates are as follows:

	31/03/2020 RM'000	31/12/2019 RM'000
Amount authorised and contracted for	120,788	121,972
Amount authorised but not contracted for	<u>66,822</u>	<u>66,089</u>
	<u>187,610</u>	<u>188,061</u>

A14 **Commitments (contd.)**

The Group's share of capital commitments in joint ventures are as follows:

	31/03/2020 RM'000	31/12/2019 RM'000
Amount authorised and contracted for	1,867	1,938
Amount authorised but not contracted for	10,887	11,844
	<u>12,754</u>	<u>13,782</u>

(b) Operating lease commitment not provided for in the financial year as at 31 March 2020 is as follows:

	31/03/2020 RM'000	31/12/2019 RM'000
Future minimum lease receipts:		
- not later than 1 year	52,924	54,911
- later than 1 year and not later than 5 years	205,085	217,372
- later than 5 years	140,479	119,883
	<u>398,488</u>	<u>392,166</u>

B1 **Review of Performance**

Revenue and profit before tax of the respective operating business segments for the current quarter are analysed as follows:

For the quarter

	Quarter ended		Increase/ Decrease (%)
	31/03/2020 RM'000	31/03/2019 RM'000 (Restated)	
Revenue			
Property Development	139,177	87,856	58.4%
Property Investment	134,314	196,738	-31.7%
Construction	218,027	346,186	-37.0%
Trading and Manufacturing	194,182	251,338	-22.7%
Quarry	74,149	44,194	67.8%
Healthcare	149,203	126,768	17.7%
Others	62,387	70,529	-11.5%
	<u>971,439</u>	<u>1,123,609</u>	-13.5%
Profit before tax			
Property Development	39,101	32,833	19.1%
Property Investment	31,991	57,400	-44.3%
Construction	22,585	39,912	-43.4%
Trading and Manufacturing	500	6,572	-92.4%
Quarry	3,072	1,743	76.2%
Healthcare	(4,455)	15,414	-128.9%
Others	15,026	23,392	-35.8%
	<u>107,820</u>	<u>177,266</u>	-39.2%

The Group recorded revenue of RM971.4 million and profit before tax of RM107.8 million for the current quarter ended 31 March 2020 compared to revenue of RM1,123.6 million and profit before tax of RM177.3 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 13.5% and profit before tax of 39.2%. Revenue was lower in the current quarter due to lower contributions from most business segments except property development, quarry and healthcare. Profit before tax was lower due to lower contributions from most business segments except property development and quarry. It should be noted that the development profits on one of the Group's Singapore and China property development projects, which were earlier deferred due to the adoption of MFRS 15, will be recognised upon completion and handover of the projects in the second half of 2020.

The Coronavirus disease 2019 "COVID-19" pandemic, the Movement Control Order ("MCO") and conditional MCO since 18 March 2020 have caused significant disruptions and financial impact to the Group, particularly on the hospitality and leisure businesses under the Property Investment segment of the Group which were not allowed to operate during these periods. Although most of the other businesses of the Group have resumed operations during the conditional MCO, the anticipated business recovery will be challenging and dependent on the overall improvement of the broader economy.

B1 Review of Performance (contd.)

The property development segment reported revenue of RM139.2 million and profit before tax of RM39.1 million in the current quarter compared to revenue of RM87.9 million and profit before tax of RM32.8 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 58.4% and profit before tax of 19.1%. The financial performance for the current quarter was higher mainly due to higher sales and progress billings from local development projects and completion and handover of a local development project.

The property investment segment reported revenue of RM134.3 million and profit before tax of RM32.0 million in the current quarter compared to revenue of RM196.7 million and profit before tax of RM57.4 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 31.7% and profit before tax of 44.3%. As mentioned above, the MCO which started from 18 March 2020 has resulted in the nationwide shutdown of all non-essential operations including the Group's hospitality and leisure businesses. The COVID-19 pandemic and the MCO closure have impacted the financial performance of these business operations in the current quarter. Further, revenue in the current quarter was also lower due to lower rental income after the disposal of Sunway University assets to Sunway REIT, which was completed on 15 April 2019.

The construction segment recorded revenue of RM218.0 million and profit before tax of RM22.6 million in the current quarter compared to revenue of RM346.2 million and profit before tax of RM39.9 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 37.0% and profit before tax of 43.4%. Revenue in the current quarter was lower mainly due to lower progress billings from local construction projects and higher intra-group eliminations which resulted in lower profit contribution to the current quarter profit before tax.

The trading and manufacturing segment recorded revenue of RM194.2 million and profit before tax of RM0.5 million in the current quarter compared to revenue of RM251.3 million and profit before tax of RM6.6 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 22.7% and profit before tax of 92.4%. The financial performance was lower in the current quarter mainly due to lower sales from subdued local and overseas market conditions brought on by the COVID-19 pandemic.

The quarry segment reported revenue of RM74.1 million and profit before tax of RM3.1 million in the current quarter compared to revenue of RM44.2 million and profit before tax of RM1.7 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 67.8% and profit before tax of 76.2%. The financial performance in the current quarter was higher primarily due to higher sales from the completion of the first tranche of acquisition of Blacktop Industries in July 2019.

The healthcare segment reported revenue of RM149.2 million and loss before tax of RM4.5 million in the current quarter compared to revenue of RM126.8 million and profit before tax of RM15.4 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 17.7% and increase in loss before tax of 128.9%. Revenue in the current quarter was higher primarily due to additional contribution from Sunway Medical Centre Velocity which commenced operations in September 2019 and higher number of beds in Sunway Medical Centre. The financial performance in the current quarter was impacted by the COVID-19 pandemic and commencement of the MCO which resulted in a sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre. Sunway Medical Centre Velocity registered an operating loss of RM11.9 million in the current quarter as projected for a new hospital.

The other segments recorded revenue of RM62.4 million and profit before tax of RM15.0 million in the current quarter compared to revenue of RM70.5 million and profit before tax of RM23.4 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 11.5% and profit before tax of 35.8%. The financial performance in the current quarter was lower mainly due to lower contribution from the building materials segment and the Group's treasury functions.

B2 **Material Changes in the Quarterly Results**

	Quarter ended		Increase/ Decrease (%)
	31/03/2020 RM'000	31/12/2019 RM'000	
Revenue			
Property Development	139,177	218,180	-36.2%
Property Investment	134,314	220,940	-39.2%
Construction	218,027	318,047	-31.4%
Trading and Manufacturing	194,182	232,161	-16.4%
Quarry	74,149	136,418	-45.6%
Healthcare	149,203	162,873	-8.4%
Others	62,387	64,379	-3.1%
	<u>971,439</u>	<u>1,352,998</u>	-28.2%
Profit before tax			
Property Development	39,101	117,188	-66.6%
Property Investment	31,991	89,635	-64.3%
Construction	22,585	38,134	-40.8%
Trading and Manufacturing	500	4,522	-88.9%
Quarry	3,072	8,003	-61.6%
Healthcare	(4,455)	11,358	-139.2%
Others	15,026	(7,678)	-295.7%
	<u>107,820</u>	<u>261,162</u>	-58.7%

The Group recorded revenue of RM971.4 million and profit before tax of RM107.8 million for the current quarter compared to revenue of RM1,353.0 million and profit before tax of RM261.2 million in the preceding quarter, representing a decrease in revenue of 28.2% and profit before tax of 58.7%. The Group's financial performance was lower in the current quarter due to lower contributions from all business segments.

The property development segment reported revenue of RM139.2 million and profit before tax of RM39.1 million for the current quarter compared to revenue of RM218.2 million and profit before tax of RM117.2 million in the preceding quarter, representing a decrease in revenue of 36.2% and profit before tax of 66.6%. The financial performance in the current quarter was lower primarily due to lower sales and progress billings from local development projects. Profit before tax for the preceding quarter was also higher due to recognition of a portion of the development profit for the China property development project.

The property investment segment reported revenue of RM134.3 million and profit before tax of RM32.0 million for the current quarter compared to revenue of RM220.9 million and profit before tax of RM89.6 million in the preceding quarter, representing a decrease in revenue of 39.2% and profit before tax of 64.3%. The lower performance in the current quarter was mainly due to the COVID-19 pandemic and MCO closure as mentioned above, and due to the seasonality factor as the leisure and hospitality divisions delivered stronger performance in the preceding quarter. Further, profit before tax in the preceding quarter was also boosted by fair value gains from revaluation of investment properties of RM35.5 million.

The construction segment recorded revenue of RM218.0 million and profit before tax of RM22.6 million for the current quarter compared to revenue of RM318.0 million and profit before tax of RM38.1 million in the preceding quarter, representing a decrease in revenue of 31.4% and profit before tax of 40.8%. Revenue in the current quarter was lower mainly due to lower progress billings from local construction projects, which resulted in lower profit contribution for the current quarter.

The trading and manufacturing segment recorded revenue of RM194.2 million and profit before tax of RM0.5 million for the current quarter compared to revenue of RM232.2 million and profit before tax of RM4.5 million in the preceding quarter, representing a decrease in revenue of 16.4% and profit before tax of 88.9%. The financial performance was lower in the current quarter due to subdued local and overseas demand.

The quarry segment reported revenue of RM74.1 million and profit before tax of RM3.1 million for the current quarter compared to revenue of RM136.4 million and profit before tax of RM8.0 million in the preceding quarter, representing a decrease in revenue of 45.6% and profit before tax of 61.6%. The financial performance in the current quarter was lower mainly due to lower sales volume during the Chinese New Year festive period in January 2020 and the government-enforced MCO in March 2020 respectively.

The healthcare segment reported revenue of RM149.2 million and loss before tax of RM4.5 million for the current quarter compared to revenue of RM162.9 million and profit before tax of RM11.4 million in the preceding quarter, representing a decrease in revenue of 8.4% and increase in loss before tax of 139.2%. The financial performance in the current quarter was impacted by the sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre due to the Chinese New Year festive period in January 2020 and the COVID-19 pandemic and commencement of the MCO. The operating loss incurred by Sunway Medical Centre Velocity in the current quarter is comparable to the preceding quarter.

B2 Material Changes in the Quarterly Results (contd.)

The other segments recorded revenue of RM62.4 million and profit before tax of RM15.0 million for the current quarter compared to revenue of RM64.4 million and loss before tax of RM7.7 million in the preceding quarter, representing a decrease in revenue of 3.1% and increase in profit before tax of 295.7%. Revenue in the current quarter was slightly lower mainly due to lower contribution from others segment. The profit before tax was higher in the current quarter due to a provision for impairment of assets of RM39.6 million was recorded in the preceding quarter. Excluding the impact of the impairment of assets, profit before tax in the current quarter was partly offset by lower contribution from the Group's treasury functions.

B3 Prospects

The Malaysian economy's GDP dropped sharply to only register a growth rate of 0.7% in the first quarter of 2020 compared with 3.6% in the fourth quarter of 2019. The significant slowdown was largely caused by the COVID-19 pandemic and the implementation of the Movement Control Order (MCO) which commenced on 18 March 2020. Bank Negara has proactively reduced the Overnight Policy Rate (OPR) by another 50 basis points on 5 May 2020 from 2.5% to 2.0%, which should cushion the consequential economic and financial impact on the economy.

The Group's performance is expected to be adversely impacted by this pandemic if it is not brought under control. To mitigate the consequences, the Group has activated its Business Continuity Plan (BCP) which incorporated our digital platform to manage the operational disruptions caused by the pandemic and the imposition of the MCO. In addition, the Group has implemented several cost saving measures including recruitment freeze. The Group will continue to monitor the situation and will take appropriate measures if warranted.

B4 Variance of Actual Profit from Profit Forecast

The Company did not issue any profit forecast or profit guarantee during the current year under review.

B5 Taxation

The current taxation does not include the tax payable for the share of profit from associates and share of profit from joint ventures as the share of profit is recognised on an after tax basis.

	Current Quarter Ended 31/03/2020 RM'000	Cumulative Year To Date 31/03/2020 RM'000
Current taxation	(15,687)	(15,687)
Deferred taxation	(1,829)	(1,829)
	<u>(17,516)</u>	<u>(17,516)</u>

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/03/2020 RM'000	Cumulative Year To Date 31/03/2020 RM'000
Depreciation and amortisation	(60,927)	(60,927)
Net provision of impairment for:		
- Trade receivables	(976)	(976)
- Other receivables	(4)	(4)
- Inventories	(479)	(479)
- Advances to joint venture	(1,233)	(1,233)
Write off:		
- Trade receivables	(39)	(39)
- Inventories	(61)	(61)
- Property, plant and equipment	(59)	(59)
Net gain on disposal of:		
- property, plant and equipment	251	251
Net foreign exchange loss:		
- Others	(433)	(433)
- Unrealised for hedged items	(20,041)	(20,041)
Cash flow hedge reserve recycled to profit or loss	20,041	20,041
Net loss on derivatives	(498)	(498)

B7 Status of Corporate Proposal Announced

There were no new corporate proposals announced but not completed as at the date of this report, except for the following:

B7.1 Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd.

Sunway Subang Sdn. Bhd. ("JVCo"), a subsidiary of Sunway City Sdn. Bhd. ("SunCity"), which in turn is a wholly-owned subsidiary of the Company, had on 19 February 2016, entered into the following Sale and Purchase Agreements ("SPAs") for the acquisition of the undermentioned parcels of leasehold land (60 years tenure) free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax) ("Proposed Property Acquisition"):

Vendors	Details of the lands	Purchase Consideration RM'000
Sunway Serene Sdn. Bhd. ("SSSB")	Hakmilik H.S.(D) 182796, PT 7 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 8,523 square metres ("PT 7")	12,500
View2pick Sdn. Bhd. ("V2P")	Hakmilik H.S.(D) 113417, PT 8 in Pekan Subang, Daerah Petaling, Negeri Selangor measuring approximately 0.9105 hectares ("PT 8")	9,000
Chen Yew Plastics Sdn. Bhd. ("CYP")	Hakmilik H.S.(M) 6476, PT 2049 in Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor measuring approximately 2 acres together with buildings erected thereon ("PT 2049")	11,225
TOTAL		32,725

PT 7, PT 8 and PT 2049 shall collectively be referred to as "the Lands".

SunCity had on even date, entered into a Shareholders Agreement ("SA") with V2P for the purpose of establishing a joint venture via the JVCo to develop industrial properties on the Lands ("Development") as well as to regulate the relationship between SunCity and V2P with respect to the joint venture ("Proposed Joint Venture").

Salient terms of the SPAs include, inter-alia, the following:

Pursuant to the SPAs, the JVCo would acquire the Lands from SSSB, V2P and CYP free from encumbrances for a total purchase consideration of RM32,725,000 (excluding Goods and Services Tax).

The SPA for PT 2049 is conditional upon, amongst others, CYP having obtained the State Authority's approval whether unconditionally or subject to conditions acceptable to the JVCo and the discharge of the charge over PT 2049.

The SPAs for PT 7 and PT 8 shall become unconditional when the following conditions have been fulfilled:

- (a) SSSB and CYP having obtained the State Authority's approval, whether unconditionally or subject to conditions acceptable to the JVCo;
- (b) the execution and fulfilment of the conditions precedent set out for PT 7 and PT 8;
- (c) SSSB and V2P having obtained the State Authority's approval in accordance with the relevant provisions of the National Land Code in respect of the application for (i) amalgamation or (ii) surrender and re-alienation of PT 7, PT 8 and PT 2049 into one single issue document of title with a leasehold period of 99 years commencing from the date of issuance of the relevant new issue document of title; and
- (d) V2P having procured the registration of the discharge of the charge created over PT 8.

The completion of the acquisition of PT 7 and PT 8 are inter-conditional with one another while PT 2049 would be acquired independent of the acquisition of PT 7 and PT 8.

B7 **Status of Corporate Proposal Announced (contd.)**

B7.1 **Sales and Purchase Agreements between Sunway Subang Sdn. Bhd. with Sunway Serene Sdn. Bhd., View2pick Sdn. Bhd. and Chen Yew Plastics Sdn. Bhd. and Shareholders Agreement between Sunway City Sdn. Bhd. and View2pick Sdn. Bhd. (contd.)**

Salient terms of the SA include, inter-alia, the following:

- (a) Under the Proposed Joint Venture, SunCity and V2P shall subscribe for the following ordinary shares of RM1 each for cash in the share capital of the JVCo:

Shareholders	Number of shares	Shareholding Ratio
SunCity	79,000	80% *
V2P	20,000	20%

* Included 1,000 ordinary shares currently held by SunCity in the JVCo.

- (b) SunCity and V2P shall be entitled to nominate and appoint 3 directors and 1 director respectively in the JVCo.;
- (c) SunCity shall nominate the Chairman of the Board; and
- (d) The JVCo to enter into a management agreement with Sunway Integrated Properties Sdn. Bhd., a wholly-owned subsidiary of SunCity to undertake the tasks stipulated in the SA at a management fee equivalent to 1% of gross development value ("GDV") of the Development.

The SA shall become unconditional when the following conditions have been fulfilled:

- (a) Execution of the SPAs and fulfilment of the conditions precedent of the SPAs in relation to PT 7, PT 8 and PT 2049; and
- (b) Approval of the relevant authorities granted to the JVCo for the amalgamation or surrender and re-alienation of the Lands and the extension of the leasehold period of the Lands to 99 years.

The SPA of PT2049 and the Proposed Joint Venture were completed on 29 June 2016 and 24 May 2017 respectively. The remainder of the acquisition of PT 7 and PT 8 has been completed on 28 February 2020.

B7.2 **Proposed acquisition of Dolomite Granite Quarry Sdn. Bhd.**

On 3 June 2019, Sunway Holdings Sdn. Bhd. ("SunHoldings"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") with Dolomite Industries Company Sdn. Bhd. ("the Vendor"), a subsidiary of Dolomite Corporation Berhad, to acquire 100 ordinary shares in Dolomite Granite Quarry Sdn. Bhd. ("Dolomite Quarry") ("Sale Shares") representing 100% of the total issued and paid-up share capital of Dolomite Quarry together with 4 parcels of leasehold lands measuring approximately 784 acres ("Lands") and the plants and machinery located on the Lands but excluding premix plant and mobile machinery and equipment and stocks located on the Lands as listed in the SSA ("Plant and Machinery"), free from all charges and encumbrances in the following manner ("Proposed Acquisition"):

- a) RM100.00 for the Sale Shares; and
- b) RM125,000,000.00 towards payment for the Lands and the Plant and Machinery.

The Lands are held under the following titles:

- a) Pajakan Negeri 113181, Lot 53066 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- b) Pajakan Negeri 113182, Lot 53068 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor;
- c) Pajakan Negeri 113183, Lot 53065 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor; and
- d) Pajakan Negeri 113184, Lot 53069 Mukim Ulu Langat, Daerah Ulu Langat, Negeri Selangor.

Pursuant to the SSA, SHSB will acquire the Sale Shares, the Lands as well as Plant and Machinery from the Vendor free from all charges and encumbrances at the following consideration:

- a) RM100 for the Sale Shares; and
- b) RM125,000,000 towards payment of the purchase price for the Lands together with the Plant and Machinery. SHSB or its related company will advance the sum of RM125,000,000 to Dolomite Quarry to enable Dolomite Quarry to pay the purchase price to the Vendor pursuant to a sale and purchase agreement dated 27 December 2018 made between the Vendor and Dolomite Quarry ("SPA").

The Proposed Acquisition is conditional upon the fulfilment of the conditions precedent set out in the SSA within 3 months from the date of the SSA or such other date as may be mutually agreed by SunHoldings and the Vendor. The conditions precedent include:

B7 **Status of Corporate Proposal Announced (contd.)**

B7.2 **Proposed acquisition of Dolomite Granite Quarry Sdn. Bhd. (contd.)**

- a) The Vendor having procured the approval of the shareholders of Dolomite Corporation Berhad, its ultimate holding company and Dolomite Quarry, in a general meeting, for the sale of the Sale Shares;
- b) The Vendor having obtained and delivered the following documents to SunHoldings:
- (i) a written confirmation from Maybank International Labuan Branch ("Maybank Labuan") confirming the redemption sum payable to MayBank Labuan to fully redeem and discharge the Lands ("Redemption Sum"); and
- (ii) a written undertaking from Maybank Labuan to release its security interest created over the Sale Shares, the Lands as well as the Plant and Machinery subject to payment to Maybank Labuan of the Redemption Sum.
- c) Dolomite Quarry having completed the SPA in accordance with its terms including the transfer and registration of the Lands as well as Plant and Machinery in favour of Dolomite Quarry; and
- d) The Vendor having procured the issuance of new issue documents of title for the Lands with a leasehold tenure of not less than 58 years.

The SSA shall become unconditional on the date when all the conditions precedent have been obtained/fulfilled or waived.

The Proposed Acquisition has not been completed as at the date of this report.

B8 **Group Borrowings and Debt Securities**

The Group borrowings as at 31 March 2020 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	216,900	-	216,900
Bankers' acceptance	1,000	-	1,000
Medium term notes	1,420,000	700,000	2,120,000
Revolving credits	433,800	-	433,800
	2,071,700	700,000	2,771,700
<u>Conventional:</u>			
Bank overdrafts	69,829	-	69,829
Term loan	845,749	171,808	1,017,557
Revolving credits	874,357	-	874,357
Bankers' acceptances	15,994	-	15,994
Hire purchase	122	643	765
	1,806,051	172,451	1,978,502
Total secured borrowings	3,877,751	872,451	4,750,202
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	10,000	670,000	680,000
Commercial papers	2,130,000	-	2,130,000
	2,140,000	670,000	2,810,000
<u>Conventional:</u>			
Term loan	636,177	-	636,177
Revolving credits	899,999	-	899,999
Medium term notes	-	610,000	610,000
Bankers' acceptances	159,227	-	159,227
Commercial papers	256,000	-	256,000
Bills discounting	138,025	-	138,025
Bills payable	4,870	-	4,870
	2,094,298	610,000	2,704,298
Total unsecured borrowings	4,234,298	1,280,000	5,514,298
Total borrowings	8,112,049	2,152,451	10,264,500
Islamic borrowings	4,211,700	1,370,000	5,581,700
Conventional borrowings	3,900,349	782,451	4,682,800
Total borrowings	8,112,049	2,152,451	10,264,500

B8 **Group Borrowings and Debt Securities (contd.)**

Included in the Group borrowings as at 31 March 2020 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
Secured					
US Dollar (USD'000) *					
- Term loan	41,000	-	177,858	-	177,858
- Revolving credits	293,000	-	1,271,034	-	1,271,034
Singapore Dollar (SGD'000) **					
- Term loan	-	17,260	-	52,643	52,643
- Revolving credits	12,600	-	38,430	-	38,430
Indonesian Rupiah (RP'000) **					
- Bills discounting	18,308,906	-	4,870	-	4,870
Australia Dollar (AUD'000) #					
- Revolving credits	88,578	-	236,583	-	236,583
- Bankers' acceptance	794	-	2,121	-	2,121
Pound Sterling (GBP'000) **					
- Term loan	42,263	-	226,221	-	226,221
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	89,000	-	386,082	-	386,082
Singapore Dollar (SGD'000) **					
- Revolving credits	111,000	-	338,550	-	338,550
Australia Dollar (AUD'000) *					
- Revolving credits	21,700	-	57,959	-	57,959
			2,739,708	52,643	2,792,351

The Group borrowings as at 31 March 2019 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Term loan	531,050	-	531,050
Revolving credits	204,250	-	204,250
	735,300	-	735,300
<u>Conventional:</u>			
Bank overdrafts	38,276	-	38,276
Term loan	1,498,503	223	1,498,726
Revolving credits	445,500	-	445,500
Bankers' acceptances	19,813	-	19,813
Hire purchase	237	532	769
	2,002,329	755	2,003,084
Total secured borrowings	2,737,629	755	2,738,384
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	-	2,340,000	2,340,000
Commercial papers	1,580,000	-	1,580,000
	1,580,000	2,340,000	3,920,000
<u>Conventional:</u>			
Term loan	157,777	-	157,777
Revolving credits	341,738	-	341,738
Medium term notes	-	610,000	610,000
Bankers' acceptances	178,047	-	178,047
Commercial papers	1,390,000	-	1,390,000
Bills discounting	99,332	-	99,332
Bills payable	7,955	-	7,955
	2,174,849	610,000	2,784,849
Total unsecured borrowings	3,754,849	2,950,000	6,704,849
Total borrowings	6,492,478	2,950,755	9,443,233
Islamic borrowings	2,315,300	2,340,000	4,655,300
Conventional borrowings	4,177,178	610,755	4,787,933
Total borrowings	6,492,478	2,950,755	9,443,233

B8 **Group Borrowings and Debt Securities (contd.)**

Included in the Group borrowings as at 31 March 2019 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		Total
	Current	Non-current	Current	Non-current	
Secured					
US Dollar (USD'000) *					
- Term loan	148,000	-	604,580	-	604,580
- Revolving credits	123,000	-	502,455	-	502,455
Singapore Dollar (SGD'000) *					
- Term loan	90,000	-	271,647	-	271,647
Indonesian Rupiah (RP'000) **					
- Term loan	10,862,595	-	3,118	-	3,118
- Bills discounting	27,718,721	-	7,955	-	7,955
Australia Dollar (AUD'000) #					
- Revolving credits	126,533	-	366,996	-	366,996
- Bankers' acceptance	1,019	-	2,956	-	2,956
Unsecured					
US Dollar (USD'000) *					
- Revolving credits	34,000	-	138,890	-	138,890
Singapore Dollar (SGD'000) **					
- Term loan	25,000	-	75,458	-	75,458
			1,974,055	-	1,974,055

Notes:

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

** Borrowings obtained by overseas subsidiaries.

Borrowings partially obtained by overseas subsidiaries. Those obtained by local subsidiaries have entered into cross currency swap contracts.

Overall, the total borrowing of the Group has increased by RM0.82 billion, from RM9.44 billion as at 31 March 2019 to RM10.26 billion as at 31 March 2020.

The increase in Group's borrowing is mainly to fund the development cost of its on-going projects in Sunway Velocity, Sunway Iskandar, Sunway Serene, Sunway Avila and Sunway Geolake Residences, expansion cost in the healthcare segment and landbank acquisition.

The weighted average interest rate of borrowings as at 31 March 2020 is 3.59%. 63% of the Group's total borrowing are fixed rate instruments, whereas 37% are floating rate instruments.

Out of the total borrowings of RM10.26 billion, RM2.79 billion (Current: RM2.74 billion ; Non-current: RM0.05 billion) are denominated in foreign currencies. 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 for minimising the interest cost. The average exchange rate entered for USD borrowings is 4.242, AUD borrowings is 2.805, SGD borrowings is 3.050 and GBP borrowings is 5.353.

B9 **Derivative Financial Instruments**

The Group's outstanding derivatives as at 31 March 2020 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains/(Losses) for the period RM'000	Cash Flow Hedge Reserve RM'000
Interest rate swap contracts				
- 1 year to 3 years	61,000	(1,063)	(870)	-
Foreign currency forward contracts				
- Less than 1 year	29,790	(263)	193	-
- 1 year to 3 years	11,725	144	179	-
Cross currency swap contracts #				
- Less than 1 year	1,178,814	(6,634)	-	7,483
- 1 year to 5 years	101,438	6,053	-	959
Total derivatives		(1,763)	(498)	8,442

B9 Derivative Financial Instruments (contd.)

Include contracts which have not been drawn down during the period.

Interest rate swap contracts

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. During the 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 equals to Singapore Swap Offer Rate ("SOR") per annum and paid fixed rate of interest of 1.49% per annum.

The fair values of the interest rate swap contracts are determined by using the mark to market values at the end of the reporting period and changes in the fair value is recognised in the profit or loss.

Interest rate 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.

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 derivatives to hedge future changes in currency exposure of cash flows from foreign operations. The effective portions of the change in fair value of the derivatives are recognised in the foreign currency translation reserve. Any ineffective portions of net investment hedges are recognised immediately in the profit or loss.

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.

Cross currency swap contracts

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

Cash flow hedge accounting could not be applied where the hedge instruments were entered into prior to the loan drawdown. Changes in fair value of these hedge instruments are therefore recognised in the income statement.

B10 Ageing Analysis of Trade Receivables

The aging analysis of the Group's trade receivables are as follows:

	31/03/2020 RM'000	31/12/2019 RM'000
Current	1,085,613	1,353,880
1 to 30 days past due	239,751	168,764
31 to 60 days past due	103,142	105,117
61 to 90 days past due	105,461	54,290
91 to 120 days past due	46,844	36,513
More than 120 days past due	155,240	147,051
	<u>650,438</u>	<u>511,735</u>
Gross trade receivables	1,736,051	1,865,615
Impaired	(93,829)	(87,121)
Total trade receivables	1,642,222	1,778,494
Other receivables	400,172	354,866
Amounts due from associates	37,313	35,145
Amounts due from joint ventures	2,828,534	2,325,052
Total receivables	<u>4,908,241</u>	<u>4,493,557</u>
Non-current receivables	1,667,640	1,478,793
Current receivables	3,240,601	3,014,764
Total receivables	<u>4,908,241</u>	<u>4,493,557</u>

B11 Changes in Material Litigation

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

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

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

The Claimant has failed to carry out its obligations under the work order and SunCon has terminated the work order and cashed the Bank Guarantees. The Claimant had filed an application in the Supreme Court of India for the appointment of an arbitrator to arbitrate upon the disputes between the parties. The Supreme Court had appointed the late Mr. H.L. Agarwal as the sole arbitrator. The Claimant then filed its Statement of Claim on 4 September 2008.

The Statement of Claim was raised in respect of various claims (including claiming the refund of the amount cashed on the Bank Guarantees) and the total amount claimed is Rs89,14,55,047.83 (approximately equivalent to RM51 million) in addition to interest and cost.

At the hearing on 2 February 2009, the arbitrator recorded SunCon's filing of the Statement of Defence and Counterclaim. In the counterclaim, SunCon is seeking for Rs78,13,94,628.61 (approximately equivalent to RM45 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 in place of the late Justice H.L. Agrawal (Retd.) for adjudication of the disputes and differences between the Parties. 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 proceedings had advanced for final arguments on 6 March 2018 to 9 March 2018. Further final and rejoinder argument was heard on 12, 13 and 14 April 2018. The Arbitrator published his award on 9 April 2019 and awarded the Claimant Rs12,84,41,929.37 (approximately equivalent to RM7.4 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. The hearing fixed on 31 October 2019 is postponed to 10 February 2020.

On 10 February 2020, the Honourable Court has directed SunCon to deposit, on a without prejudice basis, the decretal amount with up to date interest with the Registrar General of the High Court of Delhi within 6 weeks from 10 February 2020. SunCon has deposited Rs13,56,77,784.64 (approximately equivalent to RM7.8 million) on 26 February 2020. Subject to compliance of the said direction, the Honourable Court has been pleased to stay the Arbitral Award dated 9 April 2019. The matter has now been postponed until further notice due to the Coronavirus disease 2019 "COVID-19" pandemic.

In light of the above order, the Honourable Court was pleased to dispose of the enforcement petition filed by Shristi as non maintainable at this stage in as much as the Arbitral Award has been stayed. The solicitors acting for SunCon, after taking into consideration of the narrow scope of challenge to the arbitral awards as permissible under the Indian Arbitration and Conciliation Act 1996, is unable to give a precise estimation of the possibility of success.

- (b) PNSB Acmar Sdn Bhd ("Plaintiff") has on 14 November 2019 served a Writ of Summon 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.

B11 Changes in Material Litigation (contd.)

The Plaintiff is claiming, amongst other, for the following:-

- (i) Special damages of RM711,367,434.46 and/or to be determined by the Senior Assistant Registrar or Deputy Registrar of the High Court of Malaya;
- (ii) The costs between the solicitor and client amounts to RM400,000.00 or cost to be determined by the Honorable Court;
- (iii) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the date of filing of the writ and from the date of the Honorable Court's order until the full settlement; and
- (iv) Court's declarations, injunctions, orders and other reliefs that the Honorable Court deems fit and proper.

The Court had scheduled a further case management on 23 January 2020 to provide further pre-trial on case management directions. 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. The Court had scheduled a further case management on 21 May 2020 and will provide further directions.

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 RM711,367,434.46 is likely to be dismissed.

B12 Dividend

Other than the dividend paid as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ending 31 March 2020.

B13 Earnings per share

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

	Current Quarter Ended 31/03/2020 RM'000	Cumulative Year To Date 31/03/2020 RM'000
Basic/Diluted earnings per share		
Profit attributable to members of the Company	78,294	78,294
Distribution to holders of perpetual sukuk	(11,881)	(11,881)
Net earnings for the period	66,413	66,413
Weighted Average Number of Ordinary Shares	4,902,588	4,902,588
Earnings per share (Basic/Diluted) (sen)	1.35	1.35

By Order of the Board

**Tan Kim Aun
Chin Lee Chin**

Secretaries