

SUNWAY BERHAD (Company No : 201001037627 (921551-D))
 QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

	NOTE	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	INCREASE/ (DECREASE)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	INCREASE/ (DECREASE)
		31/03/2021	31/03/2020	%	31/03/2021	31/03/2020	%
		RM'000	RM'000	%	RM'000	RM'000	%
			(RESTATED)		(RESTATED)		
REVENUE		1,016,743	971,439	5%	1,016,743	971,439	5%
OPERATING EXPENSES	B6	(988,226)	(940,865)	5%	(988,226)	(940,865)	5%
OTHER OPERATING INCOME	B6	20,539	36,965	(44%)	20,539	36,965	(44%)
PROFIT FROM OPERATIONS		49,056	67,539	(27%)	49,056	67,539	(27%)
FINANCE INCOME		38,784	40,982	(5%)	38,784	40,982	(5%)
FINANCE COSTS		(24,306)	(52,622)	(54%)	(24,306)	(52,622)	(54%)
SHARE OF PROFIT FROM ASSOCIATES		16,434	30,703	(46%)	16,434	30,703	(46%)
SHARE OF PROFIT FROM JOINT VENTURES		7,206	6,881	5%	7,206	6,881	5%
PROFIT BEFORE TAX		87,174	93,483	(7%)	87,174	93,483	(7%)
INCOME TAX EXPENSE	B5	(16,797)	(17,648)	(5%)	(16,797)	(17,648)	(5%)
PROFIT FOR THE PERIOD		70,377	75,835	(7%)	70,377	75,835	(7%)
ATTRIBUTABLE TO:							
- OWNERS OF THE PARENT		58,450	62,398	(6%)	58,450	62,398	(6%)
- NON-CONTROLLING INTERESTS		11,927	13,437	(11%)	11,927	13,437	(11%)
		70,377	75,835	(7%)	70,377	75,835	(7%)
EARNINGS PER SHARE							
(i) BASIC (sen) ¹		1.01	1.27	(21%)	1.01	1.27	(21%)
(ii) DILUTED (sen) ¹		1.01	1.27	(21%)	1.01	1.27	(21%)

¹ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 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 2021
 THE FIGURES HAVE NOT BEEN AUDITED

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2021	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2020	CURRENT YEAR TO DATE 31/03/2021	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2020
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	70,377	75,835	70,377	75,835
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	25,846	14,004	25,846	14,004
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN				
- FAIR VALUE GAIN OF DERIVATIVES	45,285	11,599	45,285	11,599
- AMOUNT RECYCLED TO PROFIT OR LOSS	(43,025)	(20,041)	(43,025)	(20,041)
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	965	-	965	-
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	6,663	20	6,663	20
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>35,734</u>	<u>5,582</u>	<u>35,734</u>	<u>5,582</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>106,111</u>	<u>81,417</u>	<u>106,111</u>	<u>81,417</u>
ATTRIBUTABLE TO:				
- OWNERS OF THE PARENT	92,577	66,929	92,577	66,929
- NON-CONTROLLING INTERESTS	13,534	14,488	13,534	14,488
	<u>106,111</u>	<u>81,417</u>	<u>106,111</u>	<u>81,417</u>

(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 2020 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 2021
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2021	IMMEDIATE PRECEDING QUARTER 31/12/2020	INCREASE/ (DECREASE)
	RM'000	RM'000 (RESTATED)	%
REVENUE	1,016,743	1,273,757	(20%)
OPERATING EXPENSES	(988,226)	(1,350,348)	(27%)
OTHER OPERATING INCOME	20,539	126,799	(84%)
PROFIT FROM OPERATIONS	<u>49,056</u>	<u>50,208</u>	(2%)
FINANCE INCOME	38,784	53,496	(28%)
FINANCE COSTS	(24,306)	(9,745)	149%
SHARE OF PROFIT FROM ASSOCIATES	16,434	15,406	7%
SHARE OF PROFIT FROM JOINT VENTURES	7,206	149,773	(95%)
PROFIT BEFORE TAX	<u>87,174</u>	<u>259,138</u>	(66%)
INCOME TAX EXPENSE	(16,797)	(45,367)	(63%)
PROFIT FOR THE PERIOD	<u>70,377</u>	<u>213,771</u>	(67%)
ATTRIBUTABLE TO:			
- OWNERS OF THE PARENT	58,450	199,793	(71%)
- NON-CONTROLLING INTERESTS	<u>11,927</u>	<u>13,978</u>	(15%)
	<u>70,377</u>	<u>213,771</u>	(67%)
EARNINGS PER SHARE			
(i) BASIC (sen) ¹	<u>1.01</u>	<u>3.88</u>	(74%)
(ii) DILUTED (sen) ¹	<u>1.01</u>	<u>3.88</u>	(74%)

¹ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.

(The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Annual Statutory Financial Statements for the year ended 31 December 2020 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 2021
 THE FIGURES HAVE NOT BEEN AUDITED

FINANCIAL REVIEW FOR CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER 31/03/2021	IMMEDIATE PRECEDING QUARTER 31/12/2020
	RM'000	RM'000 (RESTATED)
PROFIT FOR THE PERIOD	70,377	213,771
OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		
FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATIONS	25,846	(4,474)
CASH FLOW HEDGE RESERVE - FAIR VALUE GAIN/(LOSS)		
- FAIR VALUE GAIN/(LOSS) OF DERIVATIVES	45,285	(10,107)
- AMOUNT RECYCLED TO PROFIT OR LOSS	(43,025)	17,628
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	965	-
REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	6,663	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	<u>35,734</u>	<u>3,047</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>106,111</u>	<u>216,818</u>
ATTRIBUTABLE TO:		
- OWNERS OF THE PARENT	92,577	201,255
- NON-CONTROLLING INTERESTS	<u>13,534</u>	<u>15,563</u>
	<u>106,111</u>	<u>216,818</u>

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	AS AT END OF	AS AT PRECEDING	
	CURRENT QUARTER	FINANCIAL PERIOD END	
	31/03/2021	31/12/2020	1/1/2020
	RM'000	RM'000	RM'000
		(RESTATED)	(RESTATED)
ASSETS			
Non-current assets			
Property, plant and equipment	2,665,984	2,620,747	2,749,044
Intangible assets	23,655	25,233	19,833
Investment properties	2,075,406	2,033,400	2,327,617
Inventories	1,836,799	1,795,500	1,674,576
Investment in associates	2,706,216	2,693,171	2,458,048
Investment in joint ventures	2,056,041	1,657,507	1,627,327
Goodwill	325,435	325,435	311,808
Deferred tax assets	60,754	60,764	68,574
Receivables	1,619,039	1,974,345	1,478,793
Rock reserves	5,279	5,342	5,605
Other investments	837,407	864,153	569,856
Biological assets	43	230	121
	<u>14,212,058</u>	<u>14,055,827</u>	<u>13,291,202</u>
Current assets			
Contract assets	91,191	91,303	76,230
Inventories	1,989,623	2,074,701	2,077,811
Receivables, deposits & prepayments	2,312,282	2,433,201	3,014,935
Cash and bank balances	1,944,102	2,238,415	2,554,746
Tax recoverable	71,944	68,594	79,257
Derivative assets	28,176	31,532	1,925
Other investments	119,966	100,285	376,373
	<u>6,557,284</u>	<u>7,038,031</u>	<u>8,181,277</u>
TOTAL ASSETS	<u>20,769,342</u>	<u>21,093,858</u>	<u>21,472,479</u>
EQUITY AND LIABILITIES			
Current liabilities			
Payables, accruals & other current liabilities	2,245,550	2,453,061	2,670,944
Contract liabilities	60,223	74,610	43,529
Bank borrowings	5,710,806	5,261,081	7,022,907
Lease liabilities	46,976	49,867	69,750
Taxation	36,582	37,477	5,480
Derivative liabilities	20,273	72,369	17,730
	<u>8,120,410</u>	<u>7,948,465</u>	<u>9,830,340</u>
Non-current liabilities			
Long term bank borrowings	1,110,867	1,650,722	872,563
Perpetual Sukuk	600,000	600,000	400,000
Lease liabilities	320,361	324,513	768,204
Other long term liabilities	93,803	134,713	59,414
Derivative liabilities	552	1,665	187
Deferred taxation	120,567	122,489	130,304
	<u>2,246,150</u>	<u>2,834,102</u>	<u>2,230,672</u>
Total liabilities	<u>10,366,560</u>	<u>10,782,567</u>	<u>12,061,012</u>
Equity attributable to Owners of the Parent			
Share capital	5,393,667	5,393,667	5,393,666
Irredeemable convertible preference shares	977,779	977,779	-
Treasury shares	(74,335)	(74,335)	(53,324)
Reserves	3,309,411	3,216,797	3,027,165
	<u>9,606,522</u>	<u>9,513,908</u>	<u>8,367,507</u>
NON-CONTROLLING INTERESTS	<u>796,260</u>	<u>797,383</u>	<u>1,043,960</u>
Total equity	<u>10,402,782</u>	<u>10,311,291</u>	<u>9,411,467</u>
TOTAL EQUITY AND LIABILITIES	<u>20,769,342</u>	<u>21,093,858</u>	<u>21,472,479</u>
Number of ordinary shares ('000)	4,888,927	4,888,927	4,903,731
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.96	1.95	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 2020 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 2021
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

	ATTRIBUTABLE TO OWNERS OF THE PARENT										TOTAL EQUITY ATTRIBUTABLE TO OWNERS				
	NON-DISTRIBUTABLE						DISTRIBUTABLE				TOTAL RESERVES	OF THE PARENT	PERPETUAL SUKUK	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	IRREDEEMABLE PREFERENCE SHARES	TREASURY SHARES	MERGER RESERVE	FOREIGN EXCHANGE RESERVE	CASH FLOW HEDGE RESERVE	RESERVES FURNITURE, EQUIPMENT & FITTINGS RESERVE	OTHER RESERVES	RETAINED PROFITS	RESERVES					
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	
PERIOD ENDED 31 MARCH 2021															
At 1 January 2021	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,741,567	3,243,559	9,540,670	-	797,837	10,338,507	
Effects of Agenda Decision on IAS 23	-	-	-	-	-	-	-	-	(26,762)	(26,762)	(26,762)	-	(454)	(27,216)	
At 1 January 2021 (restated)	5,393,667	977,779	(74,335)	(1,192,040)	166,022	(19,040)	18,481	528,569	3,714,805	3,216,797	9,513,908	-	797,383	10,311,291	
Profit for the year	-	-	-	-	-	-	-	-	58,450	58,450	58,450	-	11,927	70,377	
Other comprehensive income, net of tax	-	-	-	-	24,239	2,260	-	7,628	-	34,127	34,127	-	1,607	35,734	
Total comprehensive income	-	-	-	-	24,239	2,260	-	7,628	58,450	92,577	92,577	-	13,534	106,111	
Transfer to furniture & fittings reserve	-	-	-	-	-	-	295	-	(258)	37	37	-	(37)	-	
Transactions with owners															
Acquisition of equity interests by non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,336	1,336	
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	-	(15,956)	(15,956)	
Total transactions with owners	-	-	-	-	-	-	-	-	-	-	-	-	(14,620)	(14,620)	
At 31 March 2021	5,393,667	977,779	(74,335)	(1,192,040)	190,261	(16,780)	18,776	536,197	3,772,997	3,309,411	9,606,522	-	796,260	10,402,782	
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	
Effects of Agenda Decision on IAS 23	-	-	-	-	-	-	-	-	(21,762)	(21,762)	(21,762)	-	(330)	(22,092)	
Effects of prior year adjustments on placement in wholesale funds	-	-	-	-	-	-	-	28,139	(31,738)	(3,599)	(3,599)	(1,150,000)	412,891	(740,708)	
At 1 January 2020 (restated)	5,393,666	-	(53,324)	(1,192,040)	131,185	(16,535)	20,569	223,351	3,860,635	3,027,165	8,367,507	-	1,043,960	9,411,467	
Profit for the year	-	-	-	-	-	-	-	-	62,398	62,398	62,398	-	13,437	75,835	
Other comprehensive income, net of tax	-	-	-	-	12,953	(8,442)	-	20	-	4,531	4,531	-	1,051	5,582	
Total comprehensive income	-	-	-	-	12,953	(8,442)	-	20	62,398	66,929	66,929	-	14,488	81,417	
Transfer to furniture, fittings & equipment reserve	-	-	-	-	-	-	1,080	-	(1,044)	36	36	-	(36)	-	
Transactions with owners															
Issuance of ordinary shares pursuant to:															
- exercise of warrants	1 #	-	-	-	-	-	-	-	-	-	1	-	-	1	
Purchase of treasury shares	-	-	(3,867)	-	-	-	-	-	-	-	(3,867)	-	-	(3,867)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,066)	(1,066)	
Acquisition of equity interests by non-controlling interests	-	-	-	-	-	-	-	-	474	474	474	-	3,352	3,826	
Effects of subscriptions of units in structured entities by unit holders	-	-	-	-	-	-	-	-	-	-	-	-	(137,490)	(137,490)	
Total transactions with owners	1	-	(3,867)	-	-	-	-	-	474	474	(3,392)	-	(135,204)	(138,596)	
At 31 March 2020	5,393,667	-	(57,191)	(1,192,040)	144,138	(24,977)	21,649	223,371	3,922,463	3,094,604	8,431,080	-	923,208	9,354,288	

Represents 404 warrants amounting to RM695.

(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 2020 and the accompanying explanatory notes attached to the interim financial statements.)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021

	FOR THE 3 MONTHS PERIOD ENDED 31/03/2021	FOR THE 3 MONTHS PERIOD ENDED 31/03/2020
	RM'000	RM'000 (RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	87,174	93,483
Adjustments for:		
- non-cash items	29,001	(1,420)
- finance costs	24,306	52,622
- finance income	(38,784)	(40,982)
Operating cash flows before working capital changes	101,697	103,703
Changes in working capital	(66,892)	(67,054)
Cash flow generated from operations	34,805	36,649
Interest received	24,930	40,982
Dividend received from joint ventures, associates and other investments	12,874	42,649
Tax refunded	14	1,979
Tax paid	(22,969)	(12,369)
Net cash flow generated from operating activities	49,654	109,890
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant & equipment	2,304	709
Proceeds from dilution of an associate	-	8,117
Proceeds from redemption of shares in associate	-	21,428
Proceeds from disposal of shares to non-controlling interest	1,336	3,826
Proceeds from disposal of other investments	-	60,586
Acquisition of other investments	(22,321)	(50,730)
Acquisition of land	(2,360)	(7,017)
Acquisition of property, plant and equipment	(80,873)	(79,298)
Acquisition of intangible assets	(1,703)	(1,740)
Acquisition and subsequent expenditure of investment properties	(35,291)	(60,833)
Investment in joint ventures	(390,350)	(150)
Repayment from/(Advances to) associates and joint ventures	390,222	(109,221)
Quasi-equity loan advanced to joint ventures	(6,541)	(38,879)
Net subscription and redemption of units in structured entities by non-controlling interests	(15,956)	(137,490)
Net cash used in investing activities	(161,533)	(390,692)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net bank and other borrowings	(144,141)	544,911
Net lease liabilities	(17,285)	(20,068)
Proceeds from issuance of shares pursuant to exercise of warrants	-	1
Interest paid	(24,306)	(52,622)
Dividend paid to non-controlling interests of subsidiaries	-	(1,066)
Repayment of advances to non-controlling interests of subsidiaries	-	(13)
Share buyback	-	(3,867)
Issuance of perpetual sukuk	-	200,000
Net cash (used in)/generated from financing activities	(185,732)	667,276
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(297,611)	386,474
EFFECTS OF EXCHANGE RATE CHANGES	9,375	1,117
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,182,845	2,359,012
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	1,894,609	2,746,603
Bank & cash balances	499,090	482,987
Fixed deposits	1,445,012	2,337,838
Total cash and bank balances	1,944,102	2,820,825
Bank overdrafts	(46,886)	(69,829)
Less: Deposits with maturity of over 3 months	(2,607)	(4,393)
Cash and cash equivalents	1,894,609	2,746,603

(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 2020 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 ended 31 March 2021.

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 2020. 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 2020.

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 2020 except for the adoption of the following new MFRSs and Amendments to MFRSs that are effective for financial statements effective from 1 January 2021, as disclosed below:

Title	Effective Date
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendment to MFRS 16 Leases - <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021*

* Early adopted by the Group.

The adoption of the above pronouncements does not have any significant impact to the Group.

Prior Year Adjustments ("PYA")

(a) Agenda Decision on IAS 23 Borrowing Costs - Over Time Transfer of Constructed Goods

In March 2019, IFRS Interpretations Committee ("IFRIC") concluded that any inventory which is available for its intended sale, despite it is still subject to transfer of control over time, is not a qualifying asset. Accordingly, the entity should not capitalise the borrowing costs on these inventories in accordance to the principles and the requirements in IAS 23 (MFRS 123).

Consequent to this Agenda Decision, Malaysian Accounting Standards Board (MASB) has decided that an entity shall apply the Agenda Decision on IAS 23 as a change in accounting policy to financial statements of annual periods beginning on or after 1 July 2020.

In previous financial years, the Group capitalised the borrowing costs incurred in the inventory (work in progress) until the completion of the units. Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision on IAS 23 and the financial effects are presented in Note A1(i), A1(ii) and A1(iii).

(b) PYA on placement in wholesale funds

During the previous financial year, following the reassessment of the Group's involvement in its investments in wholesale funds, the Group determined that its placement in wholesale funds are in substance, structured entities under its control in accordance with MFRS 10 *Consolidated Financial Statements*.

The Group invested in these wholesale funds with the objective of achieving short term to long term income for its 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 holds 100% in most of these wholesale funds, which are all established in Malaysia. The Group is exposed to, or has rights to variable returns from its involvements in these funds. Accordingly, the Group has consolidated these funds in the financial statements of the Group for the financial year ended 31 December 2020 and restated its comparatives via prior year adjustments retrospectively. The Group has also restated its comparatives to reflect the above prior year adjustments retrospectively and the financial effects are presented in Note A1(i) and A1(ii).

A1 Accounting Policies and Basis of Preparation (contd.)

Liquidity risk

The objective of the Group's liquidity management is to maintain a balance between long 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 been diligently tapping the shorter term financing sources from both the private debt capital market and financial institutions to capitalise on the more competitive interest rates offered compared to the higher rates demanded by longer tenured loans. Due to prior year adjustments in the previous financial year and coupled with the relatively high level of short term borrowings due to our liquidity and capital management strategy, the Group is in a net current liabilities position of RM1,563 million as at the end of this current quarter. However, the Group is confident that it is well-positioned to reverse such a position within the next 6 months.

In view of the above, the Group is undertaking a rebalancing exercise to reduce the proportion of short term loans of its total borrowings by refinancing some of it with longer tenure bank loans and longer dated corporate bonds. As at the date of this report, the Group has successfully converted RM995 million of its short term bank borrowings to longer tenure bank borrowings. This included RM125 million drawdown of long term loan to refinance the short term borrowings, and RM870 million with letters received from the banks to extend the loan maturity periods by more than 12 months.

It should also be noted that the Group is expected to generate positive cash flows from its overall business operations in the course of the next 12 months. This will further support the available undrawn credit facilities of RM1,905 million as well as the available balances of the Medium Term Notes and Perpetual Sukuk programmes which the Group can tap to meet its financial obligations as and when they fall due.

(i) Reconciliation of profit of loss

	Quarter ended 31 March 2020				Cumulative quarter ended 31 March 2020			
	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	971,439	-	-	971,439	971,439	-	-	971,439
Operating expenses	(963,684)	18,448	4,371	(940,865)	(963,684)	18,448	4,371	(940,865)
Other operating income	36,965	-	-	36,965	36,965	-	-	36,965
Profit from operations	44,720	18,448	4,371	67,539	44,720	18,448	4,371	67,539
Finance income	83,589	(42,607)	-	40,982	83,589	(42,607)	-	40,982
Finance cost	(59,121)	11,685	(5,186)	(52,622)	(59,121)	11,685	(5,186)	(52,622)
Share of profit from associates	30,703	-	-	30,703	30,703	-	-	30,703
Share of profit from joint ventures	7,929	-	(1,048)	6,881	7,929	-	(1,048)	6,881
Profit before tax	107,820	(12,474)	(1,863)	93,483	107,820	(12,474)	(1,863)	93,483
Income tax expense	(17,516)	-	(132)	(17,648)	(17,516)	-	(132)	(17,648)
Profit after tax	90,304	(12,474)	(1,995)	75,835	90,304	(12,474)	(1,995)	75,835
Attributable to:								
- Owners of the parent	78,294	(13,963)	(1,933)	62,398	78,294	(13,963)	(1,933)	62,398
- Non-controlling interests	12,010	1,489	(62)	13,437	12,010	1,489	(62)	13,437
	90,304	(12,474)	(1,995)	75,835	90,304	(12,474)	(1,995)	75,835
Earnings per share:								
- Basic	1.35			1.27	1.35			1.27
- Diluted	1.35			1.27	1.35			1.27

(i) Reconciliation of profit of loss (contd.)

	Immediate preceding quarter ended 31 December 2020		
	As previously stated	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000
Revenue	1,273,757	-	1,273,757
Operating expenses	(1,357,619)	7,271	(1,350,348)
Other operating income	126,799	-	126,799
Profit from operations	42,937	7,271	50,208
Finance income	53,496	-	53,496
Finance cost	(6,435)	(3,310)	(9,745)
Share of profit from associates	15,406	-	15,406
Share of profit from joint ventures	149,571	202	149,773
Profit before tax	254,975	4,163	259,138
Income tax expense	(44,745)	(622)	(45,367)
Profit after tax	210,230	3,541	213,771
Attributable to:			
- Owners of the parent	196,299	3,494	199,793
- Non-controlling interests	13,931	47	13,978
	210,230	3,541	213,771
Earnings per share:			
- Basic	3.81		3.88
- Diluted	3.81		3.88

(ii) Reconciliation of comprehensive income

	Quarter ended 31 March 2020				Cumulative quarter ended 31 March 2020			
	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated	As previously stated	PYA on placement in wholesale funds	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit for the period	90,304	(12,474)	(1,995)	75,835	90,304	(12,474)	(1,995)	75,835
<u>Other comprehensive income to be reclassified to profit and loss in subsequent periods</u>								
Foreign currency translation differences for foreign operations	14,004	-	-	14,004	14,004	-	-	14,004
Cash flow hedge reserve - Fair value gain								
- Fair value gain of derivatives	11,599	-	-	11,599	11,599	-	-	11,599
- Amount recycled to profit or loss	(20,041)	-	-	(20,041)	(20,041)	-	-	(20,041)
<u>Other comprehensive income not to be reclassified to profit and loss in subsequent periods</u>								
Revaluation of property, plant and equipment	20	-	-	20	20	-	-	20
	5,582	-	-	5,582	5,582	-	-	5,582
Total comprehensive income for the period	95,886	(12,474)	(1,995)	81,417	95,886	(12,474)	(1,995)	81,417
Attributable to:								
- Owners of the parent	82,825	(13,963)	(1,933)	66,929	82,825	(13,963)	(1,933)	66,929
- Non-controlling interests	13,061	1,489	(62)	14,488	13,061	1,489	(62)	14,488
	95,886	(12,474)	(1,995)	81,417	95,886	(12,474)	(1,995)	81,417

(ii) Reconciliation of comprehensive income (contd.)

	Immediate preceding quarter ended 31 December 2020		
	As previously stated	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000
Profit for the period	210,230	3,541	213,771
<u>Other comprehensive income to be reclassified to profit and loss in subsequent periods</u>			
Foreign currency translation differences for foreign operations	(4,474)	-	(4,474)
Cash flow hedge reserve - Fair value loss			
- Fair value loss of derivatives	(10,107)	-	(10,107)
- Amount recycled to profit or loss	17,628	-	17,628
	3,047	-	3,047
Total comprehensive income for the period	213,277	3,541	216,818
Attributable to:			
- Owners of the parent	199,547	1,708	201,255
- Non-controlling interests	13,730	1,833	15,563
	213,277	3,541	216,818

(iii) Reconciliation of financial position and equity

	As at 1 January 2020			As at 31 December 2020		
	As previously stated	Effects of Agenda Decision on IAS 23	Restated	As previously stated	Effects of Agenda Decision on IAS 23	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in joint ventures	1,627,026	301	1,627,327	1,659,178	(1,671)	1,657,507
Deferred tax assets	66,722	1,852	68,574	59,589	1,175	60,764
Other non-current assets	11,595,301	-	11,595,301	12,337,556	-	12,337,556
Non-current assets	13,289,049	2,153	13,291,202	14,056,323	(496)	14,055,827
Inventories	2,102,056	(24,245)	2,077,811	2,101,421	(26,720)	2,074,701
Other current assets	6,103,466	-	6,103,466	4,963,330	-	4,963,330
Current assets	8,205,522	(24,245)	8,181,277	7,064,751	(26,720)	7,038,031
TOTAL ASSETS	21,494,571	(22,092)	21,472,479	21,121,074	(27,216)	21,093,858
Current liabilities	9,830,340	-	9,830,340	7,948,465	-	7,948,465
Non-current liabilities	2,230,672	-	2,230,672	2,834,102	-	2,834,102
Total liabilities	12,061,012	-	12,061,012	10,782,567	-	10,782,567
Equity attributable to Owners of the Parent						
Share capital	5,393,666	-	5,393,666	5,393,667	-	5,393,667
Irredeemable convertible preference shares	-	-	-	977,779	-	977,779
Treasury shares	(53,324)	-	(53,324)	(74,335)	-	(74,335)
Reserves	3,048,927	(21,762)	3,027,165	3,243,559	(26,762)	3,216,797
	8,389,269	(21,762)	8,367,507	9,540,670	(26,762)	9,513,908
Non-controlling interest	1,044,290	(330)	1,043,960	797,837	(454)	797,383
Total equity	9,433,559	(22,092)	9,411,467	10,338,507	(27,216)	10,311,291
TOTAL LIABILITIES AND EQUITY	21,494,571	(22,092)	21,472,479	21,121,074	(27,216)	21,093,858
Net Assets Per Share Attributable To Owners Of The Parent (RM)	1.71		1.71	1.95		1.95

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 Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") due to the "COVID-19" pandemic as disclosed in note A11.

A4 Unusual Items

There were no material unusual items affecting the amounts reported for the current quarter ended 31 March 2021.

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 2021.

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

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:

- a) RM73,333,947 was paid on 28 April 2021 as first interim single tier cash dividend of 1.50 sen per ordinary share for the financial year ended 31 December 2020; and
- b) RM4,067,562 was paid on 28 April 2021 as 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 3 December 2020 (being the issue date) up to and including 31 December 2020.

A8 Segmental Reporting										
Segmental results for the financial period ended 31 March 2021 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	97,159	58,669	321,389	224,521	77,240	170,629	1,087	66,049	-	1,016,743
Inter-segment revenue	8,889	16,747	254,232	42,456	8,875	4,331	27,593	15,628	(378,751)	-
Total revenue	106,048	75,416	575,621	266,977	86,115	174,960	28,680	81,677	(378,751)	1,016,743
Results										
Operating segment results	13,116	(14,298)	26,286	12,967	2,574	17,118	(13,753)	5,046	-	49,056
Finance income	8,928	17,645	2,878	2,326	1,844	2,719	43,639	2,713	(43,908)	38,784
Finance costs	(9,431)	(35,841)	(1,522)	(3,062)	(1,796)	(5,846)	(8,080)	(2,636)	43,908	(24,306)
Share of results of:										
- associated companies	1	16,965	-	-	-	-	-	(532)	-	16,434
- joint ventures	8,063	(1,329)	38	-	434	-	-	-	-	7,206
Profit/(Loss) before taxation	20,677	(16,858)	27,680	12,231	3,056	13,991	21,806	4,591	-	87,174
Taxation	(1,276)	470	(6,689)	(1,788)	(390)	(29)	(5,524)	(1,571)	-	(16,797)
Profit/(Loss) for the period	19,401	(16,388)	20,991	10,443	2,666	13,962	16,282	3,020	-	70,377
Non-controlling interests	(445)	(331)	(8,926)	(538)	(61)	(154)	(1,332)	(140)	-	(11,927)
Attributable to owners of the parent	18,956	(16,719)	12,065	9,905	2,605	13,808	14,950	2,880	-	58,450
BY GEOGRAPHICAL SEGMENTS										
	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000	Attributable to owners of the parent RM'000						
Malaysia	890,502	96,854	80,910	61,559						
Singapore	43,923	1,813	1,752	1,697						
China	47,292	3,281	2,751	2,635						
India	-	(17,631)	(17,631)	(9,611)						
Australia	8,882	633	631	580						
Indonesia	11,555	504	368	368						
United Kingdom	5,538	1,060	1,003	966						
Other countries	9,051	660	593	256						
	1,016,743	87,174	70,377	58,450						

A8 Segmental Reporting (contd.)

Segmental results by foreign currency for the financial period ended 31 March 2021 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)	96,800	21,005	19,731	19,336	96,800	21,005	19,731	19,336
Australian Dollar (AUD'000)	-	30	29	13	-	95	93	42
China Yuan Renminbi (RMB'000)	569	(41)	(41)	(41)	359	(26)	(26)	(26)
Singapore Dollar (SGD'000)	-	(129)	(129)	(129)	-	(395)	(395)	(395)
US Dollar (USD'000)	-	-	-	-	-	(2)	(2)	(1)
					97,159	20,677	19,401	18,956

PROPERTY INVESTMENT SEGMENT:

Malaysia Ringgit (RM'000)	50,339	(19,865)	(19,337)	(19,280)	50,339	(19,865)	(19,337)	(19,280)
Pound Sterling (GBP'000)	979	131	121	115	5,538	743	685	648
Singapore Dollar (SGD'000)	-	655	655	655	-	2,011	2,011	2,011
US Dollar (USD'000)	641	181	181	95	2,622	739	739	388
Vietnam Dong (VND'000,000)	957	(2,737)	(2,737)	(2,737)	170	(486)	(486)	(486)
					58,669	(16,858)	(16,388)	(16,719)

CONSTRUCTION SEGMENT:

Malaysia Ringgit (RM'000)	287,520	45,077	38,388	21,484	287,520	45,077	38,388	21,484
United Arab Emirates Dirham (AED'000)	-	(26)	(26)	(14)	-	(29)	(29)	(16)
India Rupee (INR'000)	-	(314,652)	(314,652)	(171,523)	-	(17,631)	(17,631)	(9,611)
Singapore Dollar (SGD'000)	11,031	86	86	68	33,869	264	264	209
					321,389	27,680	20,991	12,065

TRADING & MANUFACTURING SEGMENT:

Malaysia Ringgit (RM'000)	149,720	7,251	6,253	5,821	149,720	7,251	6,253	5,821
Australian Dollar (AUD'000)	2,812	170	170	170	8,882	538	538	538
Indonesia Rupiah (IDR'000,000)	40,075	1,748	1,276	1,276	11,555	504	368	368
China Yuan Renminbi (RMB'000)	60,439	4,445	3,609	3,441	38,129	2,804	2,277	2,171
Singapore Dollar (SGD'000)	3,249	239	220	220	9,976	734	674	674
Thai Baht (THB'000)	41,614	3,101	2,601	2,601	5,583	416	349	349
Vietnam Dong (VND'000,000)	3,807	(90)	(90)	(90)	676	(16)	(16)	(16)
					224,521	12,231	10,443	9,905

QUARRY SEGMENT:

Malaysia Ringgit (RM'000)	77,240	3,018	2,628	2,567	77,240	3,018	2,628	2,567
Trinidad & Tobago Dollar (TTD'000)	-	63	63	63	-	38	38	38
					77,240	3,056	2,666	2,605

HEALTHCARE SEGMENT:

Malaysia Ringgit (RM'000)	170,551	14,475	14,446	14,292	170,551	14,475	14,446	14,292
Singapore Dollar (SGD'000)	25	(158)	(158)	(158)	78	(484)	(484)	(484)
					170,629	13,991	13,962	13,808

INVESTMENT HOLDING SEGMENT:

Malaysia Ringgit (RM'000)	605	21,468	15,947	14,616	605	21,468	15,947	14,616
Hong Kong Dollar (HKD'000)	-	481	476	474	-	254	251	250
China Yuan Renminbi (RMB'000)	764	133	133	133	482	84	84	84
					1,087	21,806	16,282	14,950

OTHERS SEGMENT:

Malaysia Ringgit (RM'000)	57,727	4,426	2,855	2,724	57,727	4,426	2,855	2,724
China Yuan Renminbi (RMB'000)	13,191	262	262	247	8,322	165	165	156
					66,049	4,591	3,020	2,880

A8 Segmental Reporting (contd.)

Segmental assets and liabilities for the financial period ended 31 March 2021 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	5,567,871	2,854,140	1,934,242	823,486	385,725	1,699,583	14,303,846	1,104,034	(12,798,540)	15,874,387
Investment in associates	-	2,637,000	-	-	-	-	-	69,216	-	2,706,216
Investment in joint ventures	1,850,731	144,525	45,249	-	15,536	-	-	-	-	2,056,041
Unallocated assets										132,698
Total assets										20,769,342
Liabilities										
Segment liabilities	4,288,132	3,911,361	1,330,821	523,915	299,431	1,066,877	10,905,405	608,244	(12,724,775)	10,209,411
Unallocated liabilities										157,149
Total liabilities										10,366,560

A9 Foreign Currency Rates

The foreign currency exchange rates used are as follows:

Denomination	Closing rate as at 31 March 2021	Average rate for the year 2021
United Arab Emirates Dirham	1.1333	1.1154
Australian Dollar	3.1679	3.1591
Pound Sterling	5.7195	5.6591
Hong Kong Dollar	0.5350	0.5276
Indonesia Rupiah ('000)	0.2870	0.2883
India Rupee	0.0566	0.0560
Macau Pataca	0.5196	0.5124
China Yuan Renminbi	0.6332	0.6309
Singapore Dollar	3.0922	3.0702
Thai Baht	0.1329	0.1342
US Dollar	4.1590	4.0933
Vietnam Dong ('000)	0.1803	0.1776

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 subsequent to the end of the reporting period

There were no material events subsequent to the current quarter ended 31 March 2021 other than the reimplementation of the Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") from 13 January 2021 until 7 June 2021 due to the "COVID-19" pandemic.

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 2021.

A13 Contingent Liabilities and Assets

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

	31/03/2021	31/12/2020
	RM'000	RM'000
Guarantees given to third parties in respect of trade and contracts	841,452	841,053
Guarantees given to financial institutions for borrowings obtained by joint ventures	920,000	920,000
	<u>1,761,452</u>	<u>1,761,053</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 2021 is as follows:

	31/03/2021	31/12/2020
	RM'000	RM'000
Approved and contracted for property, plant and equipment and investment properties	313,479	280,400
Approved but not contracted for property, plant and equipment and investment properties	422,974	431,914
	<u>736,453</u>	<u>712,314</u>

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

	31/03/2021	31/12/2020
	RM'000	RM'000
Approved and contracted for property, plant and equipment and investment properties	202,191	230,717
Approved but not contracted for property, plant and equipment and investment properties	61,658	62,889
	<u>263,849</u>	<u>293,606</u>

A14 Commitments (contd.)

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

	31/03/2021	31/12/2020
	RM'000	RM'000
Approved and contracted for property, plant and equipment and investment properties	12,052	6,174
Approved but not contracted for property, plant and equipment and investment properties	9,576	6,460
	<u>21,628</u>	<u>12,634</u>

(b) Operating lease commitment not provided for in the financial year as at 31 March 2021 is as follows:

	31/03/2021	31/12/2020
	RM'000	RM'000
Future minimum lease receipts:		
- not later than 1 year	57,061	57,233
- later than 1 year and not later than 5 years	223,513	223,670
- later than 5 years	100,958	115,440
	<u>381,532</u>	<u>396,343</u>

A15 Significant Related Party Transactions

(a) Transactions with joint ventures and associates

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
(i) Sunway Real Estate Investment Trust ("Sunway REIT") (RHB Trustees Bhd)				
Lease of Sunway Resort Hotel & Spa	(2,057)	(10,053)	(2,057)	(10,053)
Lease of Sunway Hotel Seberang Jaya	-	(457)	-	(457)
Lease of Sunway Putra Hotel	(2,706)	(2,704)	(2,706)	(2,704)
Lease of Sunway Hotel Georgetown	(823)	(823)	(823)	(823)
Lease of Sunway Plaza's ice rink	(400)	(397)	(400)	(397)
Leasing/Rental of properties in respect of:				
Sunway Medical Center building	(6,386)	(6,203)	(6,386)	(6,203)
Menara Sunway and accommodation for security staff	(1,555)	(2,048)	(1,555)	(2,048)
Rental and management of car parks and related services	(4,610)	(6,248)	(4,610)	(6,248)
Rental of office space premises and related services	166	268	166	268
Provision of property management and related services	671	9	671	9
Provision of hotel and related services	42	228	42	228
Sales of financial, human resources and IT related services	539	410	539	410
Marketing, distribution and sales of construction related products and industrial products	628	93	628	93
Provision of ticketing and tour related services	43	120	43	120
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	49,402	11,487	49,402	11,487
Provision of loyalty card points	241	350	241	350
Management services	4,040	3,188	4,040	3,188
Distribution income from perpetual note	2,899	2,932	2,899	2,932
(ii) Sunway Iskandar Sdn. Bhd. Group				
Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services	4,162	18,305	4,162	18,305
Management services	1,450	1,364	1,450	1,364
Sales of financial, human resources and IT related services	74	187	74	187
Marketing, distribution and sales of construction related products and industrial products	45	343	45	343
Property management and related services	235	131	235	131
Lease of land for precast plant	(142)	(144)	(142)	(144)

A15 Significant Related Party Transactions (contd.)
(a) Transactions with joint ventures and associates (contd.)

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
(iii) Sunway Velocity Two Sdn. Bhd. Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services Property management and related services	30,379 1,648	- 1,225	30,379 1,648	- 1,225
(iv) Sunway Velocity Mall Sdn. Bhd. Construction, marketing, mechanical engineering, engineering related design and build, civil engineering, building works and related services Sales of financial, human resources and IT related services Provision of loyalty points	959 79 41	13,750 118 57	959 79 41	13,750 118 57
(v) Sunway Velocity Hotel Sdn. Bhd. Sales of financial, human resources and IT related services Provision of hotel and related services	15 30	20 119	15 30	20 119
(vi) Sunway Artessa Sdn. Bhd. (Formerly known as Sunway Avila Sdn. Bhd.) Sales of financial, human resources and IT related services Property management and related services Provision of loyalty points	47 19 12	18 3 11	47 19 12	18 3 11
(vii) Daksina Harta Sdn. Bhd. Management services	51	51	51	51
(viii) Monumental Production Sdn. Bhd. Management services	32	-	32	-

(b) Transactions with shareholders and their related companies

	Current Quarter Ended		Cumulative Year To Date	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
(i) Sunway Technology Sdn. Bhd. Group (‘STSB Group’) Information systems products and consultancy fees Sales of financial and IT related services Rental of office equipment, motor vehicles and other related services Provision of ticketing and tour related services Rendering of recreational club facilities, theme park, timesharing services and related services Provision of medical services	(3,007) 118 37 2 2 14	(2,326) 86 544 43 187 3	(3,007) 118 37 2 2 14	(2,326) 86 544 43 187 3
(ii) Jef-San Enterprise Sdn. Bhd. Provision of medical services	2	-	2	-
(iii) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling Distribution paid in respect of Perpetual Sukuk	(7,595)	(5,822)	(7,595)	(5,822)

A15 Significant Related Party Transactions (contd.)

(I) 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 Group, also have deemed interests in Sunway REIT via Sunway REIT Holdings Sdn. Bhd..

(II) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling, Sarena Cheah and Evan Cheah Yean Shin are Directors of Sunway Technology Sdn. Bhd. ("STSB"). Evan Cheah Yean Shin is also a Director in several subsidiaries of STSB. Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling and Evan Cheah Yean Shin are major shareholders of STSB via their interests in Active Equity Sdn. Bhd.. Evan Cheah Yean Shin and Sarena Cheah 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 are Directors and major shareholders of the Group as well as Directors in several subsidiaries of the Group. Evan Cheah Yean Shin and Adrian Cheah are Directors in several subsidiaries of the Group and major shareholders of the Group.

(III) 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 Group as well as Directors in several subsidiaries of the Group. Evan Cheah Yean Shin and Adrian Cheah Yean Sun are Directors in several subsidiaries of the Group and major shareholders of the Group.

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 (%)
	31/03/2021 RM'000	31/03/2020 RM'000 (Restated)	
Revenue			
Property Development	97,159	139,177	-30.2%
Property Investment	58,669	134,314	-56.3%
Construction	321,389	218,027	47.4%
Trading and Manufacturing	224,521	194,182	15.6%
Quarry	77,240	74,149	4.2%
Healthcare	170,629	149,203	14.4%
Others	67,136	62,387	7.6%
	<u>1,016,743</u>	<u>971,439</u>	4.7%
Profit before tax			
Property Development	20,677	32,800	-37.0%
Property Investment	(16,858)	29,196	-157.7%
Construction	27,680	22,585	22.6%
Trading and Manufacturing	12,231	234	5126.9%
Quarry	3,056	2,953	3.5%
Healthcare	13,991	(4,471)	412.9%
Others	26,397	10,186	159.1%
	<u>87,174</u>	<u>93,483</u>	-6.7%

The Group recorded revenue of RM1,016.7 million and profit before tax of RM87.2 million for the current quarter ended 31 March 2021 compared to revenue of RM971.4 million and profit before tax of RM93.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 4.7% and decrease in profit before tax of 6.7%. Revenue was higher in the current quarter due to higher contributions from most business segments except property development and property investment segments. Profit before tax was lower due to lower contributions from property development and property investment segments. It should be noted that due to the adoption of MFRS 15, the development profits on two of the Group's Singapore property development projects which were launched recently will only be recognised upon completion and handover of the projects.

Most of the business segments are gradually recovering from the fallout of the pandemic. However, the hospitality and leisure businesses under the Property Investment segment continued to be impacted in the current quarter due to the resurgence of COVID-19 cases and the reinstatement of the Movement Control Order ("MCO 2.0") from 13 January to 4 March 2021, which called for the closure of the theme park operations, more stringent social distancing requirements and restriction in interstate travels.

B1 Review of Performance (contd.)

The property development segment reported revenue of RM97.2 million and profit before tax of RM20.7 million in the current quarter compared to revenue of RM139.2 million and profit before tax of RM32.8 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 30.2% and profit before tax of 37.0%. The financial performance for the current quarter was lower due to higher profit recognition in the corresponding quarter of the previous financial year from the completion and handover of a local development project.

The property investment segment reported revenue of RM58.7 million and loss before tax of RM16.9 million in the current quarter compared to revenue of RM134.3 million and profit before tax of RM29.2 million in the corresponding quarter of the previous financial year, representing a decrease in revenue of 56.3% and loss before tax of 157.7%. As mentioned above, the financial performance of the leisure and hospitality businesses continued to be impacted by stringent COVID-19 containment measures. Revenue in the current quarter was also lower due to lower rental income after the disposal of The Pinnacle Sunway to Sunway REIT, which was completed on 20 November 2020. Further, the performance of our associate company, Sunway REIT was also affected due to lower rental income from its retail and hotel segments.

The construction segment recorded revenue of RM321.4 million and profit before tax of RM27.7 million in the current quarter compared to revenue of RM218.0 million and profit before tax of RM22.6 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 47.4% and profit before tax of 22.6%. The financial performance in the current quarter was higher mainly due to higher progress billings from local construction projects and lower intra-group eliminations.

The trading and manufacturing segment recorded revenue of RM224.5 million and profit before tax of RM12.2 million in the current quarter compared to revenue of RM194.2 million and profit before tax of RM0.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 15.6% and profit before tax of 5126.9%. The financial performance improved in the current quarter mainly due to higher sales from the local and overseas markets and better operating margins.

The quarry segment reported revenue of RM77.2 million and profit before tax of RM3.1 million in the current quarter compared to revenue of RM74.1 million and profit before tax of RM3.0 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 4.2% and profit before tax of 3.5%. The financial performance in the current quarter was higher mainly due to higher sales volume of aggregates and premix.

The healthcare segment reported revenue of RM170.6 million and profit before tax of RM14.0 million in the current quarter compared to revenue of RM149.2 million and loss before tax of RM4.5 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 14.4% and profit before tax of 412.9%. The better financial performance in the current quarter was due to strong recovery in hospital activities at Sunway Medical Centre and Sunway Medical Centre Velocity after the MCO2.0 was lifted in early March. The performance of Sunway Medical Centre Velocity continued to improve in the current quarter, registering a lower operating loss of RM4.2 million compared to the loss of RM11.9 million in the corresponding quarter of the previous financial year.

The other segments recorded revenue of RM67.1 million and profit before tax of RM26.4 million in the current quarter compared to revenue of RM62.4 million and profit before tax of RM10.2 million in the corresponding quarter of the previous financial year, representing an increase in revenue of 7.6% and profit before tax of 159.1%. The financial performance in the current quarter was higher due to higher contribution by the building materials and other business segments. Further, profit before tax for the current quarter was boosted by higher contribution from the Group's treasury functions.

B2 Material Changes in the Quarterly Results

	Quarter ended		Increase/ Decrease (%)
	31/03/2021 RM'000	31/12/2020 RM'000 (Restated)	
Revenue			
Property Development	97,159	183,870	-47.2%
Property Investment	58,669	42,217	39.0%
Construction	321,389	424,598	-24.3%
Trading and Manufacturing	224,521	245,797	-8.7%
Quarry	77,240	109,772	-29.6%
Healthcare	170,629	178,015	-4.1%
Others	67,136	89,488	-25.0%
	<u>1,016,743</u>	<u>1,273,757</u>	-20.2%
Profit before tax			
Property Development	20,677	222,749	-90.7%
Property Investment	(16,858)	(79,325)	78.7%
Construction	27,680	38,953	-28.9%
Trading and Manufacturing	12,231	11,029	10.9%
Quarry	3,056	5,588	-45.3%
Healthcare	13,991	22,460	-37.7%
Others	26,397	37,684	-30.0%
	<u>87,174</u>	<u>259,138</u>	-66.4%

B2 Material Changes in the Quarterly Results (contd.)

The Group recorded revenue of RM1,016.7 million and profit before tax of RM87.2 million for the current quarter compared to revenue of RM1,273.8 million and profit before tax of RM259.1 million in the preceding quarter, representing a decrease in revenue of 20.2% and profit before tax of 66.4%. Revenue was lower in the current quarter due to lower contributions from most business segments except property investment segment. Profit before tax was lower mainly due to lower contributions from most business segments except property investment and trading and manufacturing segments.

The property development segment reported revenue of RM97.2 million and profit before tax of RM20.7 million for the current quarter compared to revenue of RM183.9 million and profit before tax of RM222.7 million in the preceding quarter, representing a decrease in revenue of 47.2% and profit before tax of 90.7%. The financial performance in the current quarter was lower mainly due to lower progress billings from local development projects. It should be noted that profit before tax in the preceding quarter was further boosted by the full recognition of the balance of the development profits for one of the Singapore and China property development projects which amounted to RM182.5 million and a gain on land disposal of RM7.7 million.

The property investment segment reported revenue of RM58.7 million and loss before tax of RM16.9 million for the current quarter compared to revenue of RM42.2 million and loss before tax of RM79.3 million in the preceding quarter, representing an increase in revenue of 39.0% and decrease in loss before tax of 78.7%. The financial performance in the current quarter was better than the preceding quarter due to improvement in the performance of the leisure business from higher numbers of visitors to the theme parks. However, travel restrictions and more stringent social distancing environment continue to impact the occupancy rates for the hospitality business. It should be noted that the higher loss before tax in the preceding quarter was compounded by the fair value loss from revaluation of investment properties and impairment of assets which amounted to RM47.9 million and RM12.3 million respectively, even though it recorded a gain on disposal of The Pinnacle Sunway building of RM16.0 million.

The construction segment recorded revenue of RM321.4 million and profit before tax of RM27.7 million for the current quarter compared to revenue of RM424.6 million and profit before tax of RM39.0 million in the preceding quarter, representing a decrease in revenue of 24.3% and profit before tax of 28.9%. The financial performance 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 RM224.5 million and profit before tax of RM12.2 million for the current quarter compared to revenue of RM245.8 million and profit before tax of RM11.0 million in the preceding quarter, representing a decrease in revenue of 8.7% and increase in profit before tax of 10.9%. The revenue in the current quarter was lower due to lower sales from the local and overseas markets. However, profit before tax was higher due to better operating margins.

The quarry segment reported revenue of RM77.2 million and profit before tax of RM3.1 million for the current quarter compared to revenue of RM109.8 million and profit before tax of RM5.6 million in the preceding quarter, representing a decrease in revenue of 29.6% and profit before tax of 45.3%. The financial performance in the current quarter was lower due to lower aggregates and premix sales volumes and lower average selling price of aggregates.

The healthcare segment reported revenue of RM170.6 million and profit before tax of RM14.0 million for the current quarter compared to revenue of RM178.0 million and profit before tax of RM22.5 million in the preceding quarter, representing a decrease in revenue of 4.1% and profit before tax of 37.7%. The financial performance in the current quarter was lower due to the impact of reinstatement of MCO which resulted in lower revenue at Sunway Medical Centre. The performance of Sunway Medical Centre Velocity in the current quarter was stable compared to the preceding quarter.

The other segments recorded revenue of RM67.1 million and profit before tax of RM26.4 million for the current quarter compared to revenue of RM89.5 million and profit before tax of RM37.7 million in the preceding quarter, representing a decrease in revenue of 25.0% and profit before tax of 30.0%. The financial performance in the current quarter was lower mainly due to lower contribution from most of the other business segments and the Group's treasury functions.

B3 Prospects

Malaysia's gross domestic product (GDP) for the first quarter of 2021 contracted by 0.5% which is an improvement from the 3.4% contraction recorded in the preceding quarter. However, this may be short-lived as the recent resurgence in COVID-19 infections has caused the government to re-impose the movement control order (MCO) for the whole country with effect from 12 May to 7 June 2021.

While the Group's leisure and hospitality businesses continue to be impacted by the on-going pandemic, the other business segments of the Group are, however, more resilient and able to continue to perform and deliver satisfactory results. The Group is hopeful that the pandemic can be brought under control with the progressive rollout of the mass vaccination programme by the government in the short to medium term. Such an outcome will augur well for the Group going forward as the economic recovery will be more sustainable, which will be further supported by the recovering global economy and accelerated fiscal stimulus spending by the government.

Barring any unforeseen circumstances, the Group expects the financial performance of this year to be satisfactory.

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		Cumulative Year To Date	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Current taxation	(17,810)	(15,929)	(17,810)	(15,929)
(Under)/Over provision of tax in prior years	(611)	110	(611)	110
Deferred taxation	1,624	(1,829)	1,624	(1,829)
	<u>(16,797)</u>	<u>(17,648)</u>	<u>(16,797)</u>	<u>(17,648)</u>

B6 Profit/(Loss) before Taxation

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

	Current Quarter Ended 31/03/2021 RM'000	Cumulative Year To Date 31/03/2021 RM'000
Depreciation and amortisation	(53,753)	(53,753)
Net provision of impairment for:		
- Trade receivables	(999)	(999)
- Other receivables	(12)	(12)
- Inventories	(481)	(481)
- Advances to joint ventures	(14)	(14)
Write off:		
- Inventories	(27)	(27)
- Property, plant and equipment	(314)	(314)
Net gain on disposal of:		
- Property, plant and equipment	1,575	1,575
Net foreign exchange gain/(loss):		
- Others	1,350	1,350
- Unrealised for hedged items	(43,025)	(43,025)
Cash flow hedge reserve recycled to profit or loss	43,025	43,025
Net gain on derivatives	153	153

B7 Status of Corporate Proposal Announced

There were no new corporate proposals announced but not completed as at the date of this report.

B7.1 Rights Issue and utilisation of ICPS of the Company

The status of utilisation of proceeds is as follows:

Use Of Proceeds	Proposed Utilisation RM'000	Utilisation As At 31 March 2021 RM'000	Balance As At 31 March 2021 RM'000	Estimated Timeframe For Utilisation From 8 December 2020
Repayment of borrowings	596,979	(596,979)	-	Completed
Capital expenditure to expand and develop hospitals	200,000	(35,825)	164,175	Within 36 months
Property development and property investment expenditure	179,200	(145,386)	33,814	Within 36 months
Defray estimated expenses for the Corporate Exercises	1,600	(1,600)	-	Completed
TOTAL	977,779	(779,790)	197,989	

B7.1 Rights Issue and utilisation of ICPS of the Company (contd.)

The utilisation of proceeds as disclosed above should be read in conjunction with the Abridged Prospectus of the Company dated 6 November 2020. The utilisation as at 31 March 2021 included reimbursement of advances made from 30 September 2020 till the completion of the Right Issue of ICPS.

B8 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2021 are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Secured borrowings			
<u>Islamic:</u>			
Medium term notes	1,300,000	720,000	2,020,000
Revolving credits	415,900	-	415,900
	1,715,900	720,000	2,435,900
<u>Conventional:</u>			
Bank overdrafts	46,886	-	46,886
Term loan	262,965	145,401	408,366
Revolving credits	1,279,626	-	1,279,626
Bankers' acceptances	1,795	-	1,795
Hire purchase	333	466	799
	1,591,605	145,867	1,737,472
Total secured borrowings	3,307,505	865,867	4,173,372
Unsecured borrowings			
<u>Islamic:</u>			
Medium term notes	220,000	245,000	465,000
Commercial papers	725,000	-	725,000
	945,000	245,000	1,190,000
<u>Conventional:</u>			
Term loan	625,448	-	625,448
Revolving credits	503,568	-	503,568
Bankers' acceptances	152,804	-	152,804
Commercial papers	56,000	-	56,000
Bills discounting	120,481	-	120,481
	1,458,301	-	1,458,301
Total unsecured borrowings	2,403,301	245,000	2,648,301
Total borrowings	5,710,806	1,110,867	6,821,673
Islamic borrowings	2,660,900	965,000	3,625,900
Conventional borrowings	3,049,906	145,867	3,195,773
Total borrowings	5,710,806	1,110,867	6,821,673
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	5,710,806	1,710,867	7,421,673

Included in the Group borrowings as at 31 March 2021 are amounts denominated in foreign currency as follows:

	Foreign currency		RM'000		Total
	Current	Non-current	Current	Non-current	
<u>Secured</u>					
US Dollar (USD'000) *					
- Revolving credits	191,167	-	795,064	-	795,064
Singapore Dollar (SGD'000) **					
- Term loan	-	22,000	-	68,028	68,028
- Revolving credits	12,200	-	37,725	-	37,725
Australia Dollar (AUD'000) *					
- Revolving credits	63,602	-	201,485	-	201,485
Pound Sterling (GBP'000) **					
- Term loan	42,323	13,528	242,067	77,372	319,439

B8 Group Borrowings and Debt Securities (contd.)

	Foreign currency		RM'000		
	Current	Non-current	Current	Non-current	Total
<u>Unsecured</u>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	207,950	-	207,950
Singapore Dollar (SGD'000) **					
- Term loan	36,000	-	111,319	-	111,319
- Revolving credits	495	-	1,531	-	1,531
Australia Dollar (AUD'000) #					
- Revolving credits	29,200	-	92,503	-	92,503
			1,691,439	145,400	1,836,839

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
Medium term notes	1,420,000	700,000	2,120,000
Bankers' acceptance	1,000	-	1,000
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	4,470	-	4,470
Hire purchase	122	643	765
	1,794,527	172,451	1,966,978
Total secured borrowings	3,866,227	872,451	4,738,678
Unsecured borrowings			
<u>Islamic:</u>			
Commercial papers	1,598,000	-	1,598,000
<u>Conventional:</u>			
Term loan	636,177	-	636,177
Revolving credits	899,999	-	899,999
Bankers' acceptances	170,751	-	170,751
Commercial papers	156,000	-	156,000
Bills discounting	138,025	-	138,025
Bills payable	4,870	-	4,870
	2,005,822	-	2,005,822
Total unsecured borrowings	3,603,822	-	3,603,822
Total borrowings	7,470,049	872,451	8,342,500
Islamic borrowings	3,669,700	700,000	4,369,700
Conventional borrowings	3,800,349	172,451	3,972,800
Total borrowings	7,470,049	872,451	8,342,500
Perpetual sukuk	-	600,000	600,000
Total borrowings and perpetual sukuk	7,470,049	1,472,451	8,942,500

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		Total
	Current	Non-current	Current	Non-current	
<u>Secured</u>					
US Dollar (USD'000) *					
- Revolving credits	180,000	-	780,840	-	780,840
Singapore Dollar (SGD'000) **					
- Term loan	-	17,260	-	52,642	52,642
- Revolving credits	12,600	-	38,430	-	38,430
Australia Dollar (AUD'000) #					
- Revolving credits	88,578	-	236,584	-	236,584
- Bankers' acceptance	794	-	2,121	-	2,121
Pound Sterling (GBP'000) **					
- Term loan	20,000	22,263	107,054	119,166	226,220
<u>Unsecured</u>					
US Dollar (USD'000) *					
- Revolving credits	50,000	-	216,900	-	216,900
Singapore Dollar (SGD'000) **					
- Term loan	25,000	-	76,250	-	76,250
- Revolving credits	86,000	-	262,300	-	262,300
Indonesian Rupiah (RP'000) **					
- Term loan	18,308,906	-	4,870	-	4,870
Australia Dollar (AUD'000) *					
- Revolving credits	21,700	-	57,959	-	57,959
			1,783,308	171,808	1,955,116

Notes:

* Borrowings obtained by local subsidiaries include those entered into cross currency swap contracts.

** Borrowings obtained by overseas subsidiaries.

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

Overall, the total borrowing of the Group has decreased by RM1.52 billion, from RM8.34 billion as at 31 March 2020 to RM6.82 billion as at 31 March 2021.

The weighted average interest rate of borrowings as at 31 March 2021 is 2.59%. 60% of the Group's total borrowing are fixed rate instruments, whereas 40% are floating rate instruments.

Out of the total borrowings of RM6.82 billion, RM1.84 billion (Current: RM1.69 billion ; Non-current: RM0.15 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. The average exchange rate entered for cross currency swap contracts for USD borrowings is 4.199 and AUD borrowings is 2.982.

B9 Derivative Financial Instruments

The Group's outstanding derivatives as at 31 March 2021 were as follows:

Type of Derivatives	Contract/ Notional Value RM'000	Fair Value RM'000	Gains arising from for the period RM'000	Cash Flow Hedge Reserve RM'000
Interest rate swap contracts				
- 1 year to 3 years	61,016	(1,460)	-	-
Foreign currency forward contracts				
- Less than 1 year	7,912	16	149	-
- 1 year to 3 years	1,564	(17)	4	-
Cross currency swap contracts #				
- Less than 1 year	1,260,018	8,812	-	(2,260)
Total derivatives		7,351	153	(2,260)

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% and 1.58% 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.

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 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.

B10 Ageing Analysis of Trade Receivables

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

	31/03/2021 RM'000	31/12/2020 RM'000
Current	1,214,688	1,274,899
1 to 30 days past due	128,928	169,557
31 to 60 days past due	69,114	75,592
61 to 90 days past due	51,828	45,651
91 to 120 days past due	31,789	19,887
More than 120 days past due	153,701	142,769
	<u>435,360</u>	<u>453,456</u>
Gross trade receivables	1,650,048	1,728,355
Impaired	(98,581)	(96,696)
Total trade receivables	1,551,467	1,631,659
Other receivables	317,364	317,630
Amounts due from associates	58,129	49,865
Amounts due from joint ventures	2,004,361	2,408,392
Total receivables	<u>3,931,321</u>	<u>4,407,546</u>
Non-current receivables	1,619,039	1,974,345
Current receivables	2,312,282	2,433,201
Total receivables	<u>3,931,321</u>	<u>4,407,546</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").

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.89,14,55,047.83 (approximately equivalent to RM50.5 million) in addition to interest and cost.

In the counterclaim, SunCon is seeking for Rs.78,13,94,628.61 (approximately equivalent to RM44.2 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.12,84,41,929.37 (approximately equivalent to RM7.3 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.13,56,77,784.64 (approximately equivalent to RM7.7 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 matter has now been fixed for hearing on 2 June 2021.

B11 Changes in Material Litigation (contd.)

(a) contd.

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.6,72,89,597 (approximately equivalent to RM3.8 million) from the deposited Award Amount.

On 27 August 2020, the Court directed the release of Rs.6,71,95,972 (approximately equivalent to RM3.8 million) on the basis of a corporate guarantee to the 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 place 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.

(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.

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

- (i) Special damages of RM711,367,434.46;
- (ii) The costs between the solicitor and client amounts to RM400,000.00;
- (iii) Interest rate of 5% per year from the date of trespass i.e. 30 April 2018 until the full settlement; and
- (iv) Court's declarations, injunctions, orders and other reliefs that the Honorable 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. The matter was initially fixed for hearing on 23 April 2021. Subsequently, the Court has fixed the decision for the Plaintiff's application for discovery on 10 May 2021 and is awaiting for final decision. On 19 February 2021, SunCon filed applications to include MRCB George Kent Sdn. Bhd. as co-defendant and third party to the suit. The applications have been scheduled for hearing on 25 June 2021.

B12 Dividend

Other than the dividend as disclosed in note A7, no dividend has been proposed by the Board of Directors for the financial period ended 31 March 2021.

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 31/03/2021 RM'000	Cumulative Year To Date 31/03/2021 RM'000
<u>Basic earnings per share</u>		
Profit attributable to members of the Company	58,450	58,450
Weighted Average Number of Ordinary Shares ('000)	5,812,385	5,812,385
Earnings per share (Basic) (sen) ¹	1.01	1.01
<u>Diluted earnings per share</u>		
Profit attributable to members of the Company	58,450	58,450
Weighted Average Number of Ordinary Shares ('000)	5,812,385	5,812,385
Earnings per share (Diluted) (sen) ¹	1.01	1.01

¹ The calculation of earnings per share (basic and diluted) includes the ordinary shares that will be issued upon the mandatory conversion of ICPS.

By Order of the Board

**Tan Kim Aun
Chin Lee Chin**

Secretaries